INTEGRATED FINANCIAL STATEMENTS

2024

Epta

Highlights

FINANCIAL Capital

1.682 mln euro REVENUES

155 mln euro EBITDA adjusted

50 mln euro NET PROFIT

#Epta PEOPLE

7.987 employees #EptaPeople

125.763 hours of training (approximately 16 per person)

11,18 accident frequency rate (per million hours worked)

GLOBAL Presence

11 production plants

100% products available with natural refrigerants

100 countries served in the world

Stakeholder ENGAGEMENT

30 tradefairs and congress participation

4 new awards in 2024

SUSTAINABLE Innovations

270 engineers in the R&D area

11 R&D centres of which 1 Innovation Centre

27,7 mln euro invested in innovation

ENVIRONMENTAE HERITAGE

0,491 Gj/k€ energy intensity

95,2% recycled waste

0,0584 m³/k€ water intensity

Message to Stakeholders

Dear Readers,
2024 marked a year of evolution and active listening for us, as we sowed the seeds for a future of growth by reflecting on our “deep why”. In 2025, guided by the Purpose we've developed, which will serve as our guide and inspiration, we are preparing to help our clients in their ecological and digital transitions through continuous innovation, a global presence, and a strengthened team.

We have always been forward-thinking, and this year, we intend to stay ahead of the times, with an emphasis on continuous evolution and improvement, by publishing our 2024 Integrated Financial Statements with an index **divided by environmental, social, and governance criteria** in line with future ESRS standards.
In 2003, we were a SME with a turnover of less than Euro 400 million and faced certain vulnerabilities. Today, we are a solid multinational that has surpassed Euro 1.6 billion in turnover, undeniably marking our position as the leading players in the European market.
In an ongoing globally unstable climate, we succeeded in expanding, reaching a **turnover of Euro 1,682 million** while maintaining a **stable EBITDA of 9.2%**. This confirms our capacity to fulfil our industrial potential by cutting down our **Net Financial Debt to Euro 94 million**.
The year 2024 was dedicated to listening: together with Epta's senior leaders, I personally met and listened to over 1,900 colleagues during our EptaListenUp tour, a series of internal events designed to gather insights, ideas, and proposals from EptaPeople worldwide, with the aim of strengthening both personal and business ties across the Epta community.
The **second wave of the Great Place to Work, which saw 10 Group countries certified**, also provided us with insights for improvement, which we have translated into concrete action plans to support continuous improvement.
Starting from January 2025, we have undertaken a journey to become a matrix organisation, based on collaboration and global connections that will allow us to maintain a leadership position in Europe and exploit opportunities for rapid growth in America and APAC.
Our role as key figures in this evolution, alongside the insights on Purpose, set for an official unveiling in 2025, drives us to improve every day, reminding us of our roots while focusing on the future.

We firmly believe that, driven by the commitment, passion and determination of all EptaPeople, 2025 will mark another year of substantial progress, enabling us to showcase our best at the forthcoming Euroshop event through our sustainable innovation capabilities and our ever-expanding and customer-centric presence.

Cav. Lav. Eng. Marco Nocivelli

Our integrated vision

Developing an integrated vision of the creation of shared value within a company means defining, implementing and monitoring the company's policies, decisions and activities with a long-term perspective, placing the expectations and demands of stakeholders at the heart of the strategy and deeply integrating operational and financial performance with “non-financial” performance.

The economic and social context in which we operate is characterised by an ever-increasing level of complexity, and every decision-making process is determined and influenced by a multitude of interconnected factors linked to the expectations of countless Stakeholders.

Successfully addressing these scenarios requires the development of **an integrated and inclusive approach** in areas such as:

- the definition of corporate strategies,
- activity planning, performance measurement,
- the ability to communicate with Stakeholders through rigorous, transparent and comprehensive reporting processes.

In order to facilitate the adoption of an **integrated approach to value creation** it is necessary that the reporting activity is not limited to presenting the most significant financial data, nor does it dwell on the enhancement of the social and environmental impact created without highlighting its ability to generate economic value for the entire Organisation.

The Integrated Financial Statements, therefore, become a **tool for the implementation of the strategy** and create a privileged relationship with Stakeholders, demonstrating the consistency between mission, business model, operational choices and results achieved, as well as the attention of the Group in ensuring a proper balance between short term competitiveness and medium to long term sustainability.

The Integrated Financial Statements succinctly describe management's ability to manage, monitor, and communicate the complexity of the value creation process over time. In order to be effective, this reporting must **contain the integration of financial, management, governance and sustainability information**, thus providing investors and other Stakeholders with an overall picture of the Organisation's main performance and enabling them to understand what the future might hold.

The Epta Group

Epta is a global leader specialising in the commercial refrigeration sector, present in 100 countries thanks to 11 manufacturing sites and a workforce of 8,000.

What we do

We specialize in the design, manufacture, sales, installation and servicing of complete and sustainable refrigeration solutions such as refrigerated counters and refrigeration systems with state-of-the-art technology and high-quality design, for the retail, food and beverage, and Ho.Re.Ca. sectors.

How we operate

We interpret the needs of consumers from the most diverse countries, resulting in sustainable refrigeration technologies that, with an eye to the future, create value for customers all over the world while generating the least environmental impact.

TURNOVER 2024

Our Story

The Epta Group (from the Greek ἑπτά, meaning “seven”) was founded in 2003 in Italy thanks to the genius and entrepreneurial ability of Luigi Nocivelli, putting the symbolic value of the family of 7 children at the centre of the initiative. At the time of incorporation, it consisted of, in addition to the holding company, **seven subsidiaries** with a strong tradition and an established position in their respective markets: Costan S.p.A. (Italy), Intercold GmbH (Austria), Bonnet Névé S.A. (France), Costan Market S.A. (Argentina), B.K.T. Bonnet Kältetechnik GmbH (Germany), Alser Innovation S.A. (France) and George Barker ltd (UK).
Over the years the Group has undergone exceptional growth, aimed at expanding its product range and consolidating its international presence, by setting up new companies and acquiring other businesses operating in the commercial refrigeration market.

Our present

Thanks to an experienced management team, Epta supports, promotes and shares with all Stakeholders a culture based on the principles of sustainability, reliability and quality of the solutions offered and on principles of safety, competence and employee development.
Thanks to strategic acquisitions and an important international expansion, we have a solid and well-balanced competitive position both geographically and in the different business areas thanks to valuable brands and a widespread presence guaranteed by more than 40 technical-commercial units.

2003-2019: more than 10 operations
2021: Portugal - Finland - Chile
2023: Germany
2023: Joint Venture with Viessmann Refrigeration Solutions / North + Centre EU Market / Over 100 countries served
2024: Epta has signed an agreement with the Purever Industries industrial group for the sale of the production and commercial business of Misa-branded cold rooms.

Mission, Vision and Values

Our Mission

> "Proud to contribute to the success of our customer's sales outlet.
> Simple, safe and appealing purchases".

We focus on the success of our customer's point of sale.
We talk about **a "simple" purchase because we are to all intents and purposes a "fully integrated provider"** to provide an all-inclusive service that starts from shop design and co-development of solutions, goes through implementation and the possibility of tele-control and tele-management, and ends with after-sales service and disposal of old equipment. A "zero hassle" philosophy that allows the customer to focus on their core business.
We talk about a **"safe"** purchase because we are reliable and certified, a distinguishing factor in our industry.
Finally, we speak of an **"appealing"** purchase because we are able to customise solutions for our customers, optimising the merchandising of the products on display.

Our Vision

> "The preferred local partner for customised product and refrigeration system solutions. The ultimate technology and design for the unique store".

We want to be the "preferred local partner" because we have always believed in sustainable development, in the creation of shared value and in the contribution that business can make to improve the territories, organisations and communities within which it operates and with which it actively collaborates and interacts. We invest in initiatives aimed at protecting the environment, developing people and creating a safe, collaborative and stimulating working environment with respect for each of our employees.
We use "ultimate technology and design" to make our products safer, more efficient and more environmentally friendly and to actively contribute to the success and growth of our customers and all our Stakeholders.

Our Business

Our customers include the most important players in the large-scale retail and Food & Beverage market, as well as Ho.Re.Ca., worldwide, with whom we have established long-standing relationships.
The quality of our products is evidenced by the numerous certifications that attest to their performance and energy-saving levels, which are constantly updated over time, as well as by a solid industrial culture capable of directly overseeing the entire production and distribution process chain.
Our portfolio includes **prestigious commercial refrigeration brands**, recognised worldwide for their history and uniqueness, as well as for the quality of their products: **Costan (1946), Bonnet Névé (1930), Eurocryor (1991), Iarp (1983), and Kysor Warren (1882)**.
Furthermore, over time, we have created new brands with "dedicated" expertise, such as:

- **EptaConcept**, specialised in shaping and designing the layout of custom retail spaces, original kiosks, and thematic corners with refrigerated counters;
- **EptaTechnica**, specialised in technical refrigeration solutions, ranging from refrigeration plants to complete and customised sustainable systems;
- **EptaService**, specialised in after-sales technical support, characterised by highly experienced teams, state-of-the-art digital tools, qualified consultancy, and a wide range of services such as retrofitting, telemonitoring, an e-commerce for spare parts with over 32,000 codes and delivery within 24/48 hours, and fleet management systems.

Retail Solutions

COSTAN	Bonnet Névé	KYSOR WARREN
Retail solutions for the whole world	Retail solutions for the whole world	Retail solutions for North and Central America

Specialised Brands

eurocryor	iarp
Dedicated solutions for speciality stores	Plug-in solutions for Food & Beverage and Ho.Re.Ca

Solutions and Services

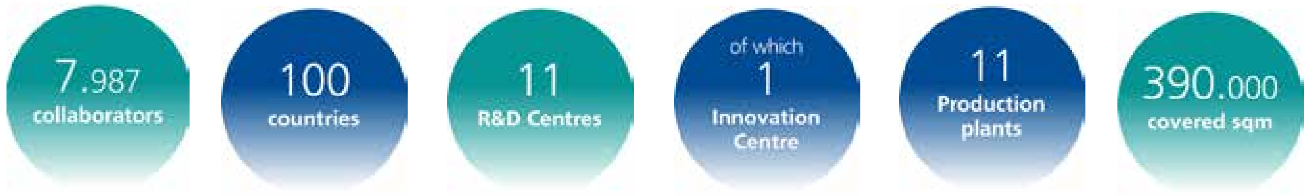
Epta Concept	Epta Technica	Epta Service
Design and planning of custom spaces	Design, engineering and installation of technical products and systems	Services and after-sales support

Main activities of the Group

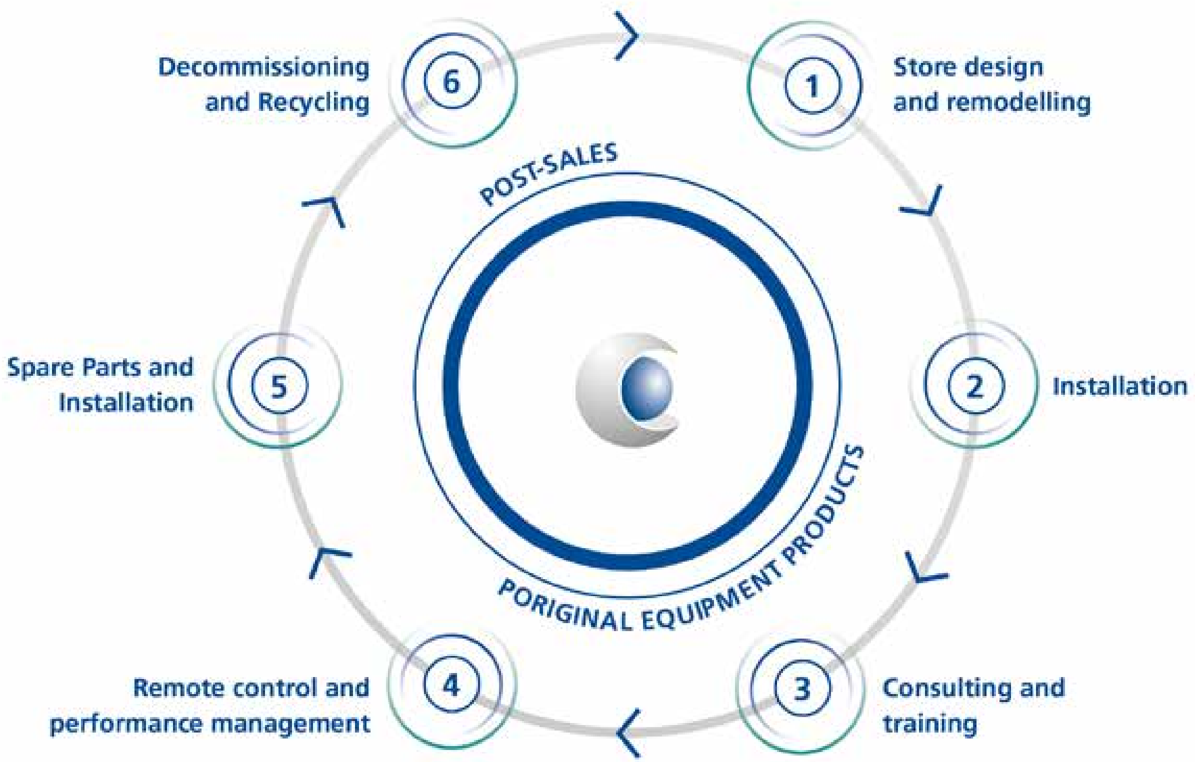
More than 8,000 employees on 5 continents, a direct and indirect presence in over 100 countries, 11 research and development centres, including 1 Innovation Centre to look to the future of refrigeration technologies and 11 production facilities, located in 9 countries in Europe, America and Asia for a total of over 390,000 square metres, and a production capacity of 490,000 units per year.

Our Group is rooted in Italian entrepreneurial history, and combines a culture of design and attention to detail with a vocation for sustainable international growth.

This aspect is reflected in the consolidated performance with revenues of Euro 1,682 million in 2024, of which the percentage realised abroad, in the financial year ended 31 December 2024, was 91%, with a growing trend compared to the previous two years.



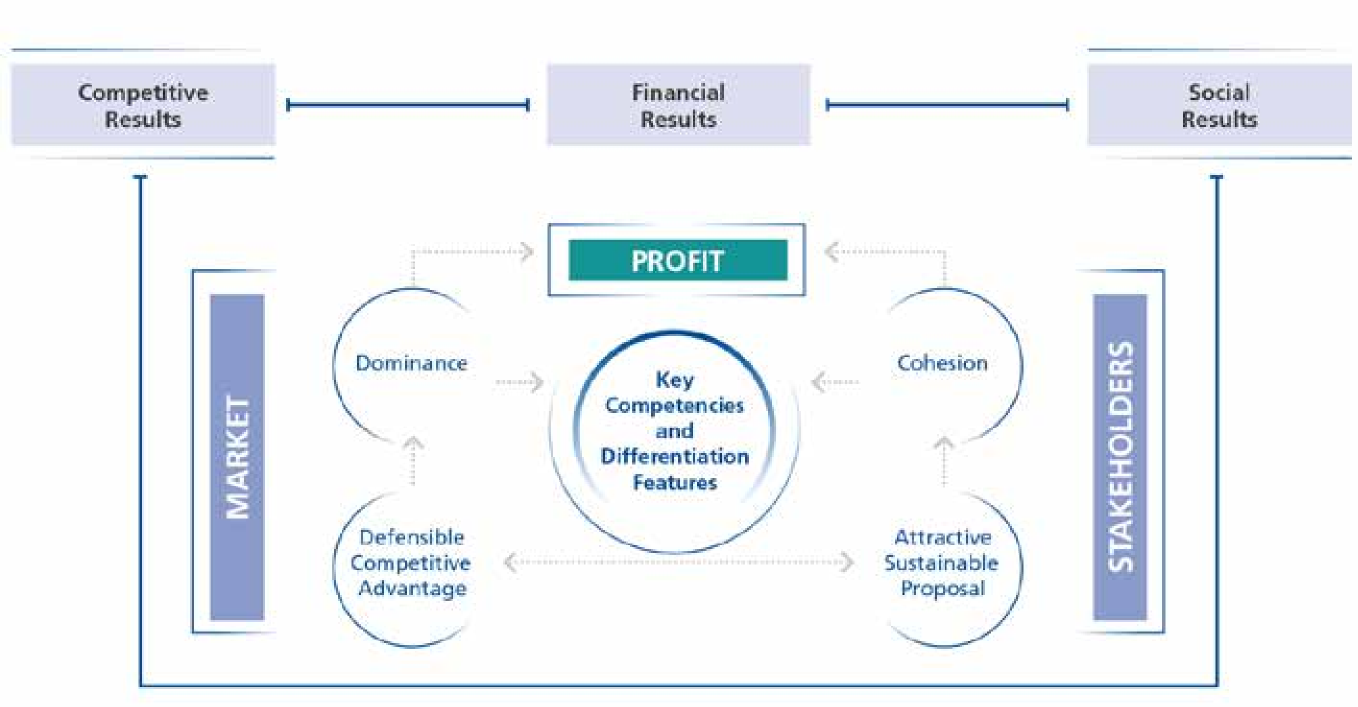
Epta directly oversees the entire chain of the production and distribution process, which begins with the product conception and design phase and ends with delivery to the customer and the subsequent after-sales service, either in person or through an extensive network of distributors and technicians operating worldwide.



Value generated and distributed to stakeholders

All funds generated through operating activities or from the results of investments or various forms of financing represent the financial capital we use to create products or provide services for our customers.

This chapter's analysis of financial capital provides a summary of the key economic-financial elements that support and facilitate the management of other forms of capital (productive, intellectual, human, social, relational, and the processes related to natural capital) and is further elaborated in detail in the Report on Operations at the beginning of the Consolidated Financial Statements.
As an introduction, we report here the framework that represents our value creation model, outlined in the corporate strategy through a criterion aimed at balancing economic development opportunities and their social and environmental impacts through (1) creating a defensible competitive strategy, (2) integrating ESG values into our strategic approach, and (3) generating profit as the outcome of a virtuous cycle.



Competitive, social and economic results complement and feed off each other in a virtuous logic of shared and sustainable long-term value creation.

ADDED VALUE

(*) also includes deferred taxes.

(Euro thousands)	2024	2023
Revenues	1,643,387	1,396,437
Other income	38,762	35,734
Financial income	5,322	5,143
Total economic value generated	**1,687,471**	**1,437,314**
Operating costs	(1,089,445)	(950,819)
Remuneration of personnel	(442,605)	(341,385)
Remuneration of lenders	(15,832)	(14,593)
Public Administration Remuneration (*)	(23,895)	(25,936)
Total economic value distributed	**(1,571,777)**	**(1,332,733)**
Bad debts	(2,609)	407
Unrealised exchange rate differences	(5,963)	(7,486)
Amortisation/depreciation	(53,650)	(41,153)
(Provisions)/Releases of funds	(3,227)	(22)
Total economic value retained	**50,245**	**56,328**

In 2024, our Group's total revenues increased by about 17% compared to 2023.
Growth affected the Retail and After Sales BUs, while the Food & Beverage BU remained largely stable compared to 2023. Geographically, there was a slowdown in Italy and France, more than compensated by the development of markets in other countries where the Group operates.

2024 REVENUES BY SECTOR (*)

In Euro thousands and as a percentage of net revenues	At 31 December 2024	%	Changes 2024 vs 2023	
Revenues Retail BU	1,287,644	76%	218,904	20%
Revenues After Sales BU	301,784	18%	32,940	12%
Revenues Food & Beverage BU	92,721	6%	(1,840)	-2%
Net Revenues	**1,682,149**	**100.0%**	**250,003**	**17%**
Non-core revenues			(26)	-100%
Total Revenues	**1,682,149**			

NET REVENUES 2024 BY GEOGRAPHIC AREA

In Euro thousands and as a percentage of revenues from sales and services	At 31 December 2024	%	Changes 2024 vs 2023	
Italy (*)	164,544	9%	(21,709)	-12%
France (*)	243,268	14%	(9,252)	-4%
Germany (*)	271,953	16%	110,318	68%
United Kingdom (*)	116,501	7%	9,490	9%
Other European countries (*)	363,719	22%	50,269	16%
NAM (**)	283,465	17%	35,321	14%
LATAM (***)	65,989	4%	1,594	2%
APAC (****)	100,168	6%	8,591	9%
Other countries	72,543	4%	65,383	913%
Net revenues	**1,682,149**	**100%**	**237,050**	**17%**
Non-core revenues			(26)	
Total Revenues	**1,682,149**		**237,024**	**17%**

Note: (*) EMEA area - (**) North and Central America - (***) South America - (****) Asia Pacific

Key economic indicators

Despite a general increase in costs (also due to the larger scope of the Group in 2024 compared to 2023, for which reference is made to the commentary on the Income Statement in the Notes to the consolidated financial statements), profitability grew in the financial year 2024.

The Group's net financial debt has effectively halved compared to the previous year, considering the higher sales volumes and acquisitions.

The Group's financial structure remains very solid, considering that Net Financial Debt of Euro 93,829 thousand represents a ratio of 0.60x to EBITDA and 17.6% to Net Equity.

INCOME STATEMENT

(Euro thousands)	31.12.2024	31.12.2023	Change
Revenues from sales and services	1,643,387	1,396,437	246,950
Other revenues and income	38,762	35,734	3,028
Total revenues	**1,682,149**	**1,432,171**	**249,978**
Total current operating costs	(1,591,581)	(1,332,972)	(258,610)
Operating margin	**90,568**	**99,200**	**(8,632)**
Net financial expenses	(16,427)	(16,936)	509
Taxes	(23,895)	(25,936)	2,041
Minorities' result	**(1,582)**	**2,998**	**(4,580)**
Result attributable to the Group	**51,827**	**53,330**	**(1,503)**
Total investments	27,725	33,934	(6,209)
Amortisation/depreciation	(53,650)	(41,153)	(12,497)

INVESTMENTS

Industry
71%

R&D
12%

Other
17%

OTHER KPIS

Costs for raw and ancillary materials, consumables and
684
million euro

Cost for Services
394
million euro

Cost of personnel
443
million euro

Outlook

Recent international events have led to multiple challenges affecting the stability of the global economy, including the outcomes of the US elections and the consequent protectionist policies, unresolved conflicts in Ukraine and the Middle East, inflation rates, energy instability, and uncertainty about growth in the European Union.

Despite this, the operating information available after 31 December 2024 shows a revenue and order trend in line with the 2025-2028 business plan approved by the Company's Board of Directors.

Prices of materials and components are relatively stable compared to the financial year 2024, while logistics and energy costs could see significant increases due to the current geopolitical scenario. In general, Epta will continue to follow the guidelines defined in its Strategic Plan during 2025. Specifically, the continuous process of integration and consolidation of the acquisitions made over the last few years, and in particular those made during 2023, is planned in order to fully achieve the expected synergies. It is then planned to continue with ongoing innovation and investment activities aimed at improving the Group's competitiveness, including through the introduction of digital technologies.

The Group is diligently monitoring geopolitical developments and their economic repercussions, primarily regarding protectionist policies and the introduction of tariff duties that could impact trade volumes between Group entities, both internally and with third parties. Actions are being defined to mitigate any adverse effects related to protectionist measures of this kind.

SHORT-TERM OBJECTIVES:

During 2025, we will continue to follow the guidelines set out in the 2025-2028 Strategic Plan.
In particular, we will continue:

- the process of integration and consolidation of the acquisitions made, in order to fully achieve the expected synergies;
- the ongoing innovation and investment activities aimed at improving the Group's competitiveness, also through the introduction of digital technologies;
- the strengthening of our geographical presence also through targeted acquisitions (Bolt-On) that ensure better proximity to our customers.

ESG REPORTING

1. GENERAL INFORMATION

1. GENERAL INFORMATION

1.1 Drafting criteria

The Integrated Financial Statements are the tool through which Epta communicates the results of its sustainability journey to stakeholders.
From 2010 to 2020, we have published the CSR Report annually, a document that voluntarily explains the integration of social and environmental topics into the company's decision-making processes, strategy, and governance, as well as the way in which we interact with and involve our stakeholders who, directly or indirectly, are interested in the organisation's activities.
From the financial year 2021, the Integrated Financial Statements replaced the Annual Report and the CSR report to meet the growing demand to unambiguously communicate the responsible path, made up of sustainable behaviours, practices and products, that the Company has been actively pursuing for years.
From this edition onwards, a re-evaluation of the ESG reporting index has been initiated, taking inspiration from ESRS standards, with a view to future compliance with the CSRD regulation.[1]
The ESG reporting was prepared by applying the standards of the Global Reporting Initiative (GRI) according to the “with reference to” option. More precisely, Epta cited the “GRI Universal Standards” published in 2021, which officially took effect on 1 January 2023, along with the “GRI Topic Standards” released in 2016, some of which have been updated in subsequent years.
Although not part of the obligations dictated by Legislative Decree No. 254/2016, Epta reporting pays particular attention to the topics and areas dictated by the aforementioned decree: the topics are amply represented through the reporting of timely information and numerous initiatives implemented.
With regard to the processes in place, the organisation has, for years, been equipped with the 231 organisational model and has drawn up specific policies and corporate models aimed at monitoring and improving non-financial performance, including the Enterprise Risk Management model.
In order to draw up the Integrated Financial Statements, an involvement process was implemented that saw the active contribution of the entire organisational structure of the Group companies included in the reporting scope.
The reporting process was based on the company's existing information systems - management control, accounting, quality, environment, internal audit, safety, personnel management, etc. - which were integrated with specific data collection and analysis tools. The data was processed through point-in-time extractions and calculations and estimates were used to report specific information appropriately reported.
Below are the reporting principles adopted to define the content of the report.

Reporting Principles	Application Method
Stakeholder Engagement	Epta has identified its stakeholders (see stakeholder map) based on the most significant entities with which it comes into contact. Epta implements a series of practices and procedures designed to respond to the needs expressed by its stakeholders (see materiality map).
Sustainability Context	Epta considers and reports on the company's non-financial and sustainability performance considering the context in which it operates and the numerous ESG standards and regulatory references: Global Compact, SDGs, GRI.
Materiality	Epta periodically carries out a materiality analysis aimed at identifying the topics considered most relevant in terms of impact for both the organisation and its stakeholders (through engagement activities).
Completeness	Epta reports on all material aspects that emerge from the materiality analysis and evaluates them according to their impact perimeters.

The 2024 Integrated Financial Statements have been audited by a specially appointed auditing firm. The reference standard used for the certification of the document is the international auditing standard “International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (hereinafter also “ISAE 3000 Revised”), issued by the “International Auditing and Assurance Standards Board” (IAASB).
The 2024 Integrated Financial Statements were approved by the Epta Board of Directors on 28/02/2025.

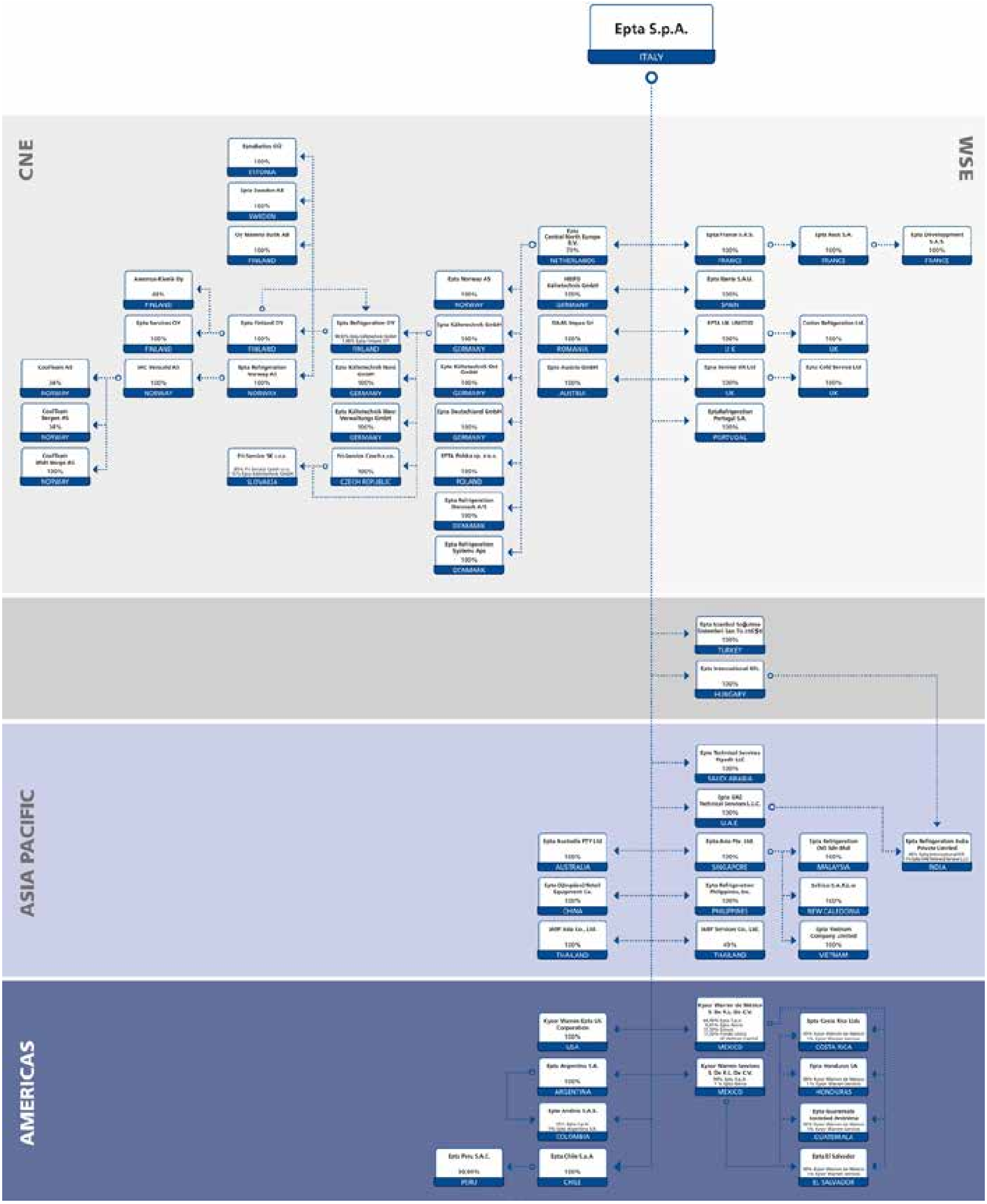
1.1.1 Reporting period

The information included in the Integrated Financial Statements refers to the period 01/01/2024 - 31/12/2024, unless otherwise indicated in the text, with a comparison with previous years.

[1] This Integrated Financial Statements have been structured in accordance with the framework outlined by the Corporate Social Responsibility Directive (CSRD), featuring a detailed breakdown into environmental, social, and governance categories.

1.1.2 Reporting perimeter

The scope of the 2024 Integrated Financial Statements includes all companies within the Epta full scope of consolidation at 31 December 2024 as shown in the image below.



For the non-financial part of the financial statements, as they are not yet structured to systematically gather all the information required by the reference standards, all the Group's production sites and, in some respects, its main commercial offices have been considered.

Offices considered	Country	Description
Epta S.p.A.	Italy	Headquarters
Epta Argentina	Argentina	Production site
Epta France	France	Production site
Epta S.p.A. – Casale	Italy	Production site
Epta S.p.A. – Limana	Italy	Production site
Epta S.p.A. Pomezia[2]	Italy	Production site
Epta S.p.A. Solesino	Italy	Production site
Epta Istanbul	Turkey	Production site
Epta Refrigeration Systems OY	Finland	Production site
Kysor Warren Epta US	USA	Production site
Epta Qingdao	China	Production site
Epta UK	United Kingdom	Production site
IARP Thailand	Thailand	Production site
DASS	Romania	Technical Commercial Office
Epta Asia	Singapore	Technical Commercial Office
Epta Andina	Colombia	Technical Commercial Office
Epta Chile	Chile	Technical Commercial Office
Epta Deutschland	Germany	Technical Commercial Office
Epta Iberia	Spain	Technical Commercial Office
Epta International	Hungary	Technical Commercial Office
Epta Peru	Peru	Technical Commercial Office
Epta Refrigeration Portugal	Portugal	Technical Commercial Office
Epta Vietnam	Vietnam	Technical Commercial Office
Kysor Warren de Mexico	Mexico	Technical Commercial Office
Sofrico	New Caledonia	Technical Commercial Office

Where limitations to the information reported occurred, they were appropriately noted throughout the text.
The gradual expansion of collecting "non-financial" data leads, on one hand, to having more detailed consolidated data, and on the other hand, to complicating comparisons with data recorded in previous years.

2 data related to the period from January to May, prior to the divestment of the business unit.

1.2 Governance

We firmly believe that good corporate governance is essential to generate positive impacts on the environment and society. On this basis, our Board of Directors, the CEO and the entire organisation in general are committed to conducting business through a model based on principles of transparency and accountability, capable of maintaining the trust of shareholders and Stakeholders over time.

1.2.1 Shareholding structure

The following graph shows the composition of the shareholding structure of Epta S.p.A.

1.2.2 Governance model

At Epta, we have adopted **a robust Corporate Governance model that aims to ensure transparent and responsible business operations**, contributing significantly to the creation of sustainable medium- and long-term value for all Stakeholders. Although the Company is not listed on an Italian regulated market, we have nevertheless decided to adopt a governance system inspired by international best practices and the principles of the Corporate Governance Code for Listed Companies (the "Code"). In this regard, it should be noted that the Board of Directors is appointed on the basis of the applicable legal and statutory provisions. In particular, the current Board of Directors was appointed by the Shareholders' Meeting of 10 February 2022, effective as of the date of approval of the Financial Statements for the financial year ending 31 December 2021 (and, therefore, as of 24 March 2022), and will remain in office for three financial years, and precisely until the date of the Shareholders' Meeting to approve the Financial Statements for the financial year ending 31 December 2024.

The Board of Directors is vested with all powers of ordinary and extraordinary administration for the management of the Company, without exception, with the sole exception of those acts that the law and the Articles of Association reserve to the Shareholders' Meeting.

The Board of Directors may appoint one or more chief executive officers and determine their powers and attributions, with the exception of those powers reserved by law to the board and as set forth below:

a. definition of the general development and investment programmes and objectives of the Company and the Group;
b. preparation of the budget;
c. definition of financial programmes and approval of borrowing operations beyond 18 months;
d. approval of agreements of a strategic nature.

The Board of Directors, in its meeting of 24 March 2022, in addition to verifying the non-existence of grounds for ineligibility or disqualification, pursuant to Article 2382 of the Italian Civil Code, for the newly elected directors, also verified the existence of the independence requirements set forth in Legislative Decree 58/98, as well as the independence requirements set forth in Article 2 of the Code for the directors Barbara Poggiali, Fabio I. Romeo, Enrico M. Fagioli Marzocchi, Marina Brogi and Patrizia Michela Giangualano.

Furthermore, at the same meeting, the Board of Directors resolved:

- the establishment of a Remuneration and Appointments Committee;
- the establishment of a Control and Risk Committee;
- the establishment of an ESG Advisory Committee;
- In view of the accumulation of the offices of Chairman and Chief Executive Officer held by Mr. Marco Nocivelli, to appoint a **Lead Independent Director**, in the person of the Non-Executive and Independent Director Marina Brogi.

Epta's governance structure at 31 December 2024 comprises:

- the **Board of Directors**, composed of 9 members, 8 of whom are non-executive (and 5 of whom are also independent); 4 out of 9 members also belong to the less represented gender;
- the **Control and Risk Committee**, in charge of supporting the Board of Directors' evaluations and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports (as well as performing the functions that the applicable regulations assign to a committee for transactions with related parties in

relation to all transactions with related parties other than those concerning the allocation or increase of remuneration and economic benefits to directors and executives with strategic responsibilities - see in this regard what is reported in the section “Business Ethics”);

- the **Remuneration and Appointments Committee**, in charge of supporting the Board of Directors' evaluations and decisions relating to the remuneration of executive directors and other directors who hold special offices, as well as managers with strategic responsibilities; it also supports the Board of Directors with regard to the self-assessment process, in the case of co-option and in the preparation of succession plans (and also performs the functions that the applicable regulations assign to a committee for transactions with related parties regarding the assignment or increase of remuneration and economic benefits to directors and executives with strategic responsibilities - see in this regard what is reported in the section “Business Ethics”);
- the **ESG Advisory Committee,** in charge of assisting the Board of Directors in sustainability-related assessments and decisions (see in this regard what is reported in the section “Focus on the ESG Advisory Committee”);
- the **Lead Independent Director**, with the task of representing a point of reference and coordination of the requests and contributions of the non-executive directors and, in particular, of the independent ones, and of coordinating the meetings of the independent directors only.

The Corporate Governance model also includes:

- the **Board of Statutory Auditors**, responsible for ensuring compliance with the law, the articles of association and the principles of proper administration;
- the **Supervisory Body**, established pursuant to Legislative Decree 231/01, responsible for supervising the effectiveness, efficiency, maintenance and updating of the organisation, management and control model pursuant to Legislative Decree 231/01;
- an **independent auditing company**, responsible for the statutory audit of the financial statements.

All Committees report to the Board of Directors on their activities at the first useful meeting, by means of a report from their Chairman, including any critical issues encountered in the performance of their functions.

Composition of the Board of Directors, the Committees and the Board of Statutory Auditors as at 31 December 2024

COMPOSITION OF BODIES

Board of Directors:

9 people | **45%** women | **55%** independent | **89%** >50 years | **11%** 30< > 50 years

Marco Nocivelli	Chair and CEO
Alessandro Nocivelli	Non-executive Director
Enrico Nocivelli	Non-executive Director
Daria Triglio Godino	Non-executive Director
Marina Brogi[3]	Non-executive and Independent Director
Enrico Maria Luigi Fagioli Marzocchi	Non-executive and Independent Director
Patrizia Michela Giangualano	Non-executive and Independent Director
Barbara Poggiali	Non-executive and Independent Director
Fabio Ignazio Romeo	Non-executive and Independent Director

Control and Risk Committee:

Patrizia Michela Giangualano	Chairman
Marina Brogi	Committee Member
Fabio Ignazio Romeo	Committee Member

Remuneration and Appointments Committee:

Barbara Poggiali	Chairman
Marina Brogi	Committee Member
Enrico Maria Luigi Fagioli Marzocchi	Committee Member

ESG Advisory Committee:

Daria Triglio Godino	Chairman
Patrizia Michela Giangualano	Director
Marco Nocivelli	Director
Berk Guler	Quality & Sustainability Director

For the profiles of the members of the Board of Directors, please refer to the page on the website:
https://www.eptarefrigeration.com/en/about-epta/organisation/governance/executive-management-committee

[3] Lead Independent Director

Board of Statutory Auditors:

3 people | **67%** women | **100%** >50 years

Michela Zeme	Chairman
Federica Mantini	Statutory Auditor
Giovanni Tampalini	Statutory Auditor

On 17 December 2024, following the proposal from the Remuneration and Appointments Committee, the Board of Directors ratified a policy concerning diversity within the Board of Directors and the Board of Statutory Auditors. This policy aims to outline the principles and ideal criteria for structuring Epta's management and supervisory bodies, promoting a diverse and inclusive makeup of these corporate entities and ensuring a strategic turnover of members.
The Policy is aimed at Epta's Shareholders to assist them in formulating nomination proposals during the renewal of corporate bodies, with full regard for both the rights of the Company's Shareholders and the current regulations.
The principles and criteria outlined are also intended as guidelines for the Board of Directors, the Remuneration and Appointments Committee, and the Shareholders of the Company, should it become necessary to replace one or more members of the corporate bodies during their mandate, always in compliance with current regulations.

1.2.3 Focus on Sustainability Governance

The Board of Directors is the collective body responsible for the administration of the Company, guiding the exercise of business activities with the aim of achieving sustainable success, namely the creation of long-term value for shareholders, taking into account the interests of other relevant stakeholders of the Company. The Board of Directors defines the strategies of the Company and the Group companies in line with the principle of pursuing sustainable success and monitors their implementation.

Since 2022, the ESG Advisory Committee particularly assists the Board of Directors in integrating sustainability profiles into the strategic plan and monitoring the objectives included within it. Additionally, in coordination with the Control and Risk Committee, it assists with the approval of the materiality analysis for the preparation of the integrated financial statements. In line with this mission, starting with the financial year 2023, the Board of Directors has integrated its strategic plan to reflect the connection of economic and financial aspects with social, environmental, and governance aspects in its business model.

ESG Advisory Committee

In 2022, we established the ESG Advisory Committee, composed of members chosen from among the Company directors and Group managers who have expertise in sustainability. The Committee is dedicated to aiding the Board of Directors in continually embedding environmental, social, and governance considerations into corporate strategies aimed at achieving sustainable success, ultimately epitomised by generating long-term value for shareholders while considering the interests of other stakeholders.

In particular, the following competences are attributed to the Committee:

- support the Board of Directors in defining a sustainability strategy that integrates the pursuit of the goal of sustainable success into the Group's business processes and industrial plan, and monitor its effective implementation;
- monitor the alignment of the corporate governance system with the law, the Code and national and international best practices, making proposals to the Board of Directors;
- monitor the spread of the culture of sustainability at company level and make proposals to the Board of Directors for the adoption of initiatives aimed at promoting it;
- support the Board of Directors in assessing the social, environmental and economic impacts of business activities;
- express opinions on the sustainability objectives defined by the Board of Directors so that they are correctly identified, as well as adequately measured, managed and monitored;
- where introduced, monitor the Company's positioning in the main sustainability indices and report to the Board of Directors on this;
- express opinions on the initiatives and programs promoted by the Company or its subsidiaries in the field of corporate social responsibility and Health, Safety and Environment, and monitor their implementation;
- on the instructions of the Board of Directors, formulate opinions and proposals on specific corporate social responsibility issues;
- verify the general layout of periodic non-financial reporting and the articulation of its contents, as well as the completeness and transparency of the information provided through it, reporting the outcome of its assessments, through its Chairman, to the Control and Risk Committee, which is called upon to assess the suitability of periodic non-financial reporting to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved.

The Committee met 4 times during 2024. The frequency of meetings is not predetermined, but it is expected that the Committee will meet at least three to four times a year in subsequent years, taking into account the tasks assigned to it. The Committee reports to the Board of Directors on its activities at the first useful meeting, through its Chairman.

1.2.4 Integration of sustainability performance in incentive schemes

In 2024, the Group Short-Term Incentive System (STI) was managed through the Epta4Me tool. This enabled digital management from the definition of annual objectives to the simulation of payout. The STI plan ensures a consistent cascade system aligned with the Group's financial objectives, balanced with individual quantitative and qualitative targets, and also introduces ESG parameters for strategic roles.
In 2024, the Long-Term Incentive Plan (LTI) updated in 2022 was also adopted, featuring updated KPIs that align with the Group's financial and economic ambitions, as well as concrete sustainability principles. The weight of the ESG KPI was increased by 5% and represents a potential 15% of the plan's payout upon reaching the targets. Participation in the Plan is confirmed to be broadened to enable further recognition and retention actions for selected staff in key roles or with high potential.

1.2.5 Risk management and internal controls over sustainability reporting

The Company has implemented a process to gather, consolidate, and disclose information for reporting which includes the adoption **of specific control measures that ensure the completeness, integrity, and accuracy of such information**, mitigating the inherent risks.
This approach extends not only to production and financial performance indicators but also to sustainability aspects, which are an integral part of the company's strategic plan.
In particular, the results of sustainability activities are analysed on a monthly basis and are shared through a quarterly report with the Advisory Committee. Among its various duties, the Advisory Committee endorses the outcomes of the materiality investigation and establishes the order of importance for significant topics (see Chapter 1.4.1 Materiality).

1.3 Strategy

1.3.1 Epta's entrepreneurial formula

How we create shared value

Our value creation model is based on a solid and defensible competitive advantage, created through the development of key competences and differentiating factors, complemented by ESG opportunities and logic, the development of digitalisation and transparent dialogue with all our stakeholders, in order to generate a relationship of trust with a view to creating shared value in the long term.

Epta's approach to the creation of sustainable value is embodied in the company's strategy, through a criterion capable of seizing opportunities for economic development, but that always takes into account the social and environmental impacts that may result.

From this point of view, competitive results, social results and economic results are synergistic and self-sustaining, with a virtuous logic of creation of shared and sustainable long-term value.

1 - Creating a defensible competitive strategy

The Epta Competitive Strategy is designed to support the company's success through:

- **the differentiation of products, services and systems**, aimed at developing innovative and sustainable solutions to be offered to customers on competitive terms, with the objective of increasing our market share;
- **increasing the value for Epta's customers and stakeholders** by, among other things, reducing the TCO (Total Cost of Ownership);
- **vertical integration** aimed at constantly increasing the level of innovative and digital services offered to customers through installation, after-sales and full monitoring, with the objective of increasing customer satisfaction and loyalty levels;
- **an extensive strategic presence** that aims to consolidate Epta positioning as a global player and partner capable of serving customers in a timely manner and accompanying them in their growth and expansion on all markets.

2 - Integration of ESG values into the strategic approach

Value creation is underpinned by a clear focus on environmental and social topics, which are an integral part of business decisions, in line with the objectives set out in our Strategic Plan. This means, on the one hand, developing products capable of bringing about significant improvements in energy performance that anticipate the objectives set by the European green deal; on the other hand, investing in the diversity, professional value and uniqueness of our people - both at managerial and technical/specialist level - who represent the primary value for the Group's current growth and future development.

For this reason, in 2024 we have developed the Strategic Plan 2025-2028 from an “integrated” perspective, including elements of an ESG nature, supported by solid targets and measurable KPIs.

The definition of the main objectives and lines of action in the ESG area were developed through the active and transversal involvement of all the various Group companies, in order to bring out the best practices already present in the individual countries and to enable responsible participation at all levels.

The Plan was therefore developed taking into account the priorities that emerged during the discussions and identifying both measurable targets with dedicated KPIs and qualitative initiatives always supported by clear guidance to verify the achievement of the targets.

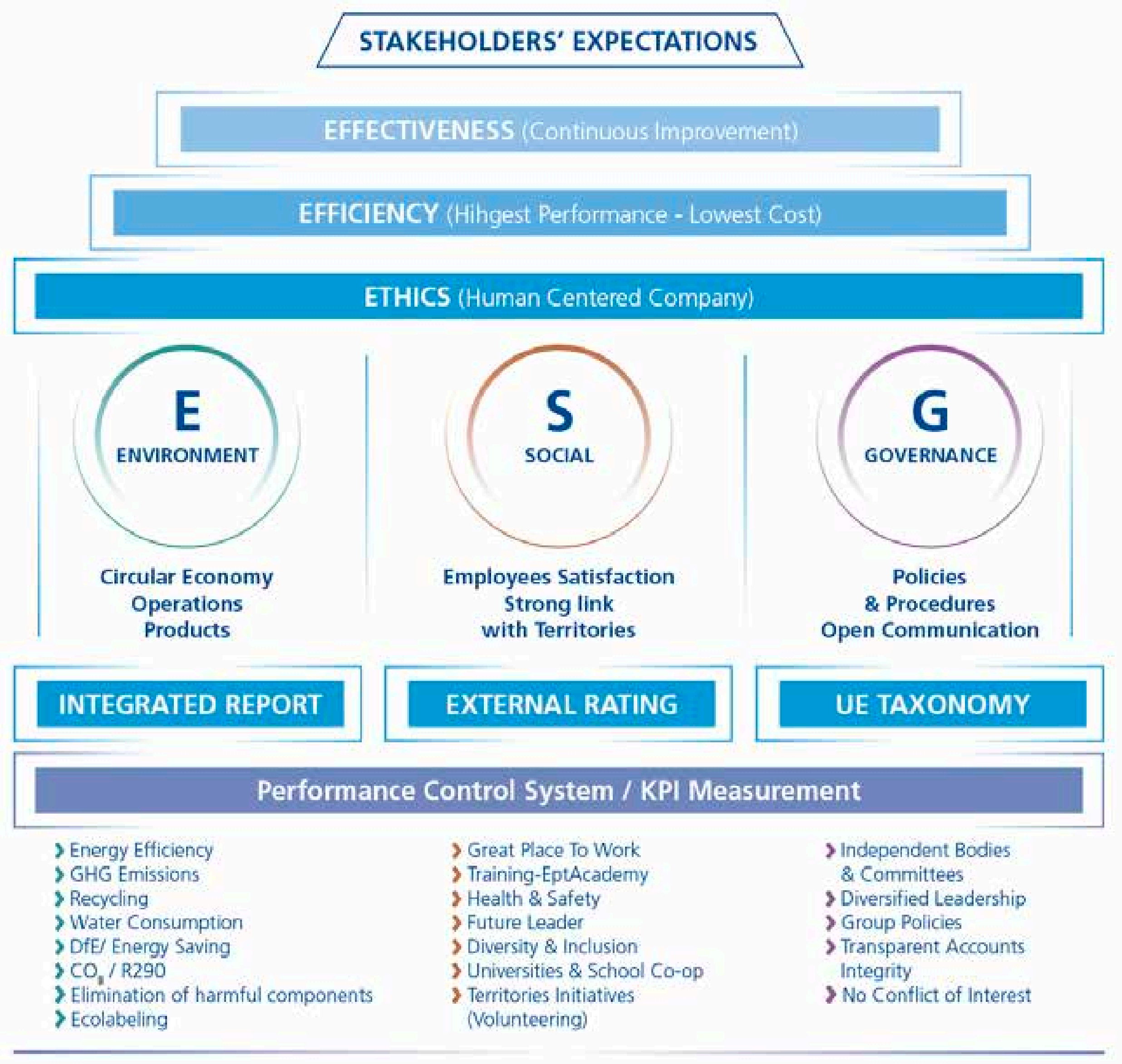
Among the ambitious objectives at Group level, with respect to **climate change mitigation**, the aim is to reduce GHG emissions by over 57% by 2028[4], thanks to constant investments in photovoltaics and the purchase of 100% certified energy from renewable sources; furthermore, within this plan, 100% of products with low GWP natural refrigerant gases will be offered to the market, combined with a constant commitment to the development of products in energy classes with lower consumption.

With regard to **social capital**, the focus has been on both health and safety topics, with the constant reduction of the H&S Frequency Index and Serious Index, and on human capital training, with the commitment to guarantee 8 hours of minimum training to all Group employees, as well as projects to develop collaborative initiatives with both schools and universities in the territories where we are present.

On the subject of **Governance**, in 2022 the ESG Advisory Committee was established, with a mixed managerial-consultative composition, charged with assisting the Board of Directors in order to promote the continuous integration of national and international best practices in the Company's corporate governance and of environmental, social and governance factors in the corporate strategies aimed at pursuing sustainable success. Finally, attention was also paid to the integrity and transparency of Governance itself through clear and up-to-date policies that take into account cultural differences and enhance the values of diversity and collaboration.

[4] Starting from the reference year 2021

The ESG strategic approach is summarised in EPTA's "ESG Template".

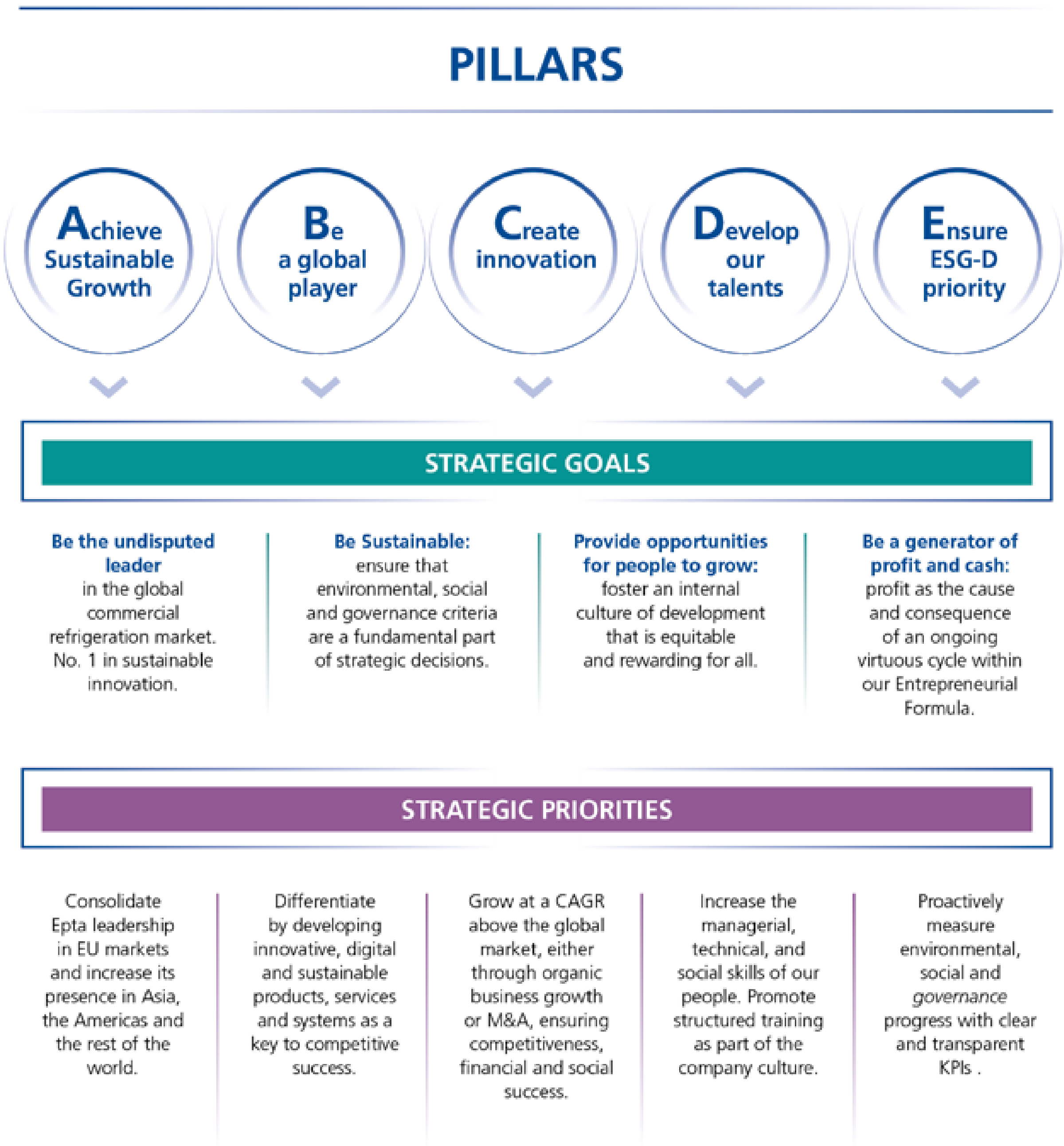


3 - Profit generation as a consequence of a virtuous circle

From this perspective, Profit and Economic-Financial Success in general are seen as both cause and consequence of Competitive and Social Success, as part of the continuous virtuous circle present in the Successful Entrepreneurship Formula: cause, because the generation of economic-financial resources guarantees the necessary investment to sustain continuous innovation, skills development and social sustainability underlying market success and social attractiveness; consequence, because market dominance and social cohesion guarantee the basis for robust, sustainable and lasting value creation.

Epta Strategic Guidelines

The Entrepreneurial Formula described finds concrete expression in Epta's Strategy, which is developed around 5 Pillars, as illustrated in the diagram below.
The pillars are the strategic guidelines, defined by the Board of Directors of Epta which translate into **"Strategic Goals"**, i.e.



long-term strategic objectives, which will guide all company decisions, giving rise to **"Strategic Priorities"**, i.e. priorities and lines of action, which subsequently translate into actual initiatives. The definition of the Strategy in its components (goals, priorities, initiatives) is realised through a process of "cycles and levels".
The diagram below represents this process, called **"W shape"** precisely because it is a process in cycles and levels, that is, which involves Corporate and local interlocutors at several levels, with different time cycles**: Planning, Programming, Monitoring**. Involving the peripheries in the process is very important because it allows them to clearly communicate strategic guidelines and goals, receive input, create motivation and commitment, and improve coordination and direction toward a single direction.
The monitoring of strategic initiatives is also crucial in order to understand in advance whether they will be achieved according to the defined economic and time targets.


Spring/Summer: STRATEGIC PLANNING
Autumn/Winter: PROGRAMMING & BUDGETING
CORPORATE
(CEO; Executive Committee)
Input from Group (Mar)
Group strategy review (July)
Target setting (July)
Group approval (Dec)
Define strategic guidelines
Approve Strategy and allocate resources
Approve Programs and Budget
1
CEO letters
2
Planning
3
Financial Ambition
4
Programming
DIRECTORS
(Country Manager; Function Manager)
Country-Function strategy process (Apr-June)
Country-Function workshop (July/Sep)
Country Plan & Budget process (Oct)
Elaborate Country/Function Strategy
Elaborate Country/Function Programs and Budget

1.4 Management of Impacts, Risks, and Opportunities

1.4.1 Risks and opportunities in the external context

Epta has an **Enterprise Risk Management (ERM) system** that promotes a proactive approach to the management of the Group's risks and opportunities through a structured and systematic process that supports key decision-making processes. The risk management system adopted by Epta is inspired by international best practices[5] and the principles of the Corporate Governance Code[6]. It is part of the broader internal control and risk management system, integrated into the more general organisational and corporate governance arrangements, and consists of rules, procedures, and organisational structures aimed at the effective and efficient identification, measurement, management, and monitoring of principal risks, in order to contribute to the Company's sustainable success.

In particular, the risk management system ensures that the risks assumed by the Company align with the strategic objectives approved by the Board of Directors and defined in the Strategic Plan.

The Enterprise Risk Management process includes:

- the support of the Risk Owners in identifying and assessing the risks to which the Group is exposed;
- the support of the Risk Owners in defining and monitoring risk mitigation plans;
- the management of the flow of information to the Control and Risk Committee.

[5] C.O.S.O. "Committee of Sponsoring Organisations of the Treadway Commission" Framework

[6] Particularly, reference is made to Article 1 - Role of the Board of Directors - Recommendations - c) defines the nature and extent of risk compatible with the company's strategic objectives, including in its assessments all elements that may be relevant in the perspective of the company's sustainable success; d) defines the company's corporate governance system and the structure of the group it leads and evaluates the adequacy of the organisational, administrative, and accounting setup of both the company and its strategically significant subsidiaries, with particular reference to the internal control and risk management system.

Based on their assessment, the **main risks** identified at the end of the financial year 2024 are detailed below.

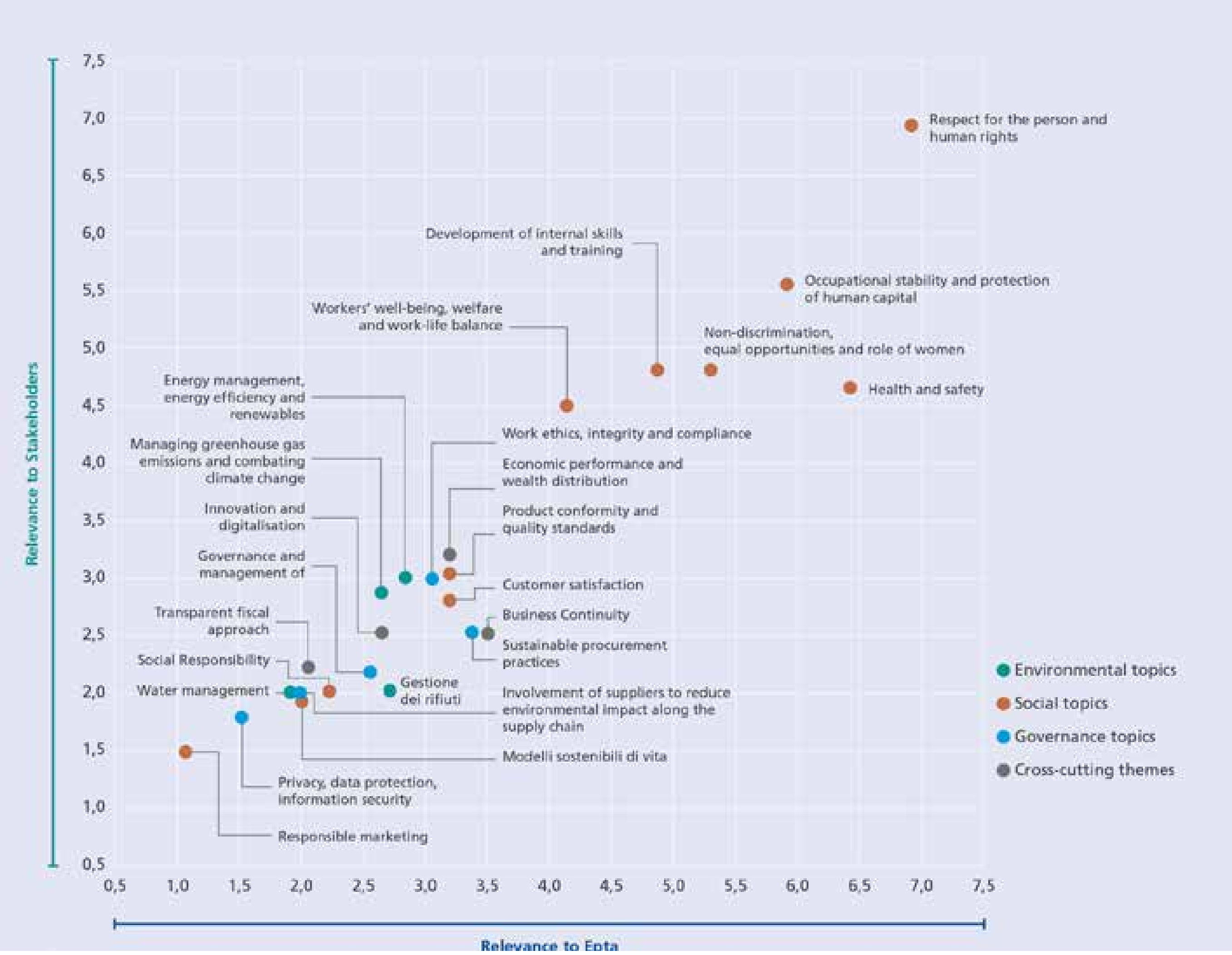
Risk	Mitigation Actions
Increase in competition in the market due to the entry of new players, resulting in a reduction of market share and expected revenues.	• Expanding the sales offering by leveraging the launch of new and innovative products • Increasing the range of services provided alongside product sales • Market monitoring in order to know and anticipate competitors' behaviour
Reduction in the investment or spending capacity of end customers or consumers due to exogenous variables (e.g. liquidity crisis, rising inflation or rising interest rates, etc.) with a consequent negative impact on the demand for products.	• Strengthening the offer of services to support sales in order to ensure greater proximity to the customer • Study of low consumption products that allow cost savings to be achieved in their use, functional for end users to face moments of crisis arising, for example, from price increases
Presence of the Group in countries susceptible to economic, social, and governmental instability, so that the occurrence of adverse events in such countries and in the relations between such countries could have adverse effects on the operations of the Company.	• Definition of processes aimed at guaranteeing the availability of liquidity in the event of adverse geopolitical events that make it impossible to transfer funds • Carrying out ad hoc analysis and monitoring on the different countries • Periodic monitoring of risk evaluation through insurance solutions
Geographical presence of the Group in countries characterised by high rates of inflation, with potential developments into situations of hyperinflation, with negative implications for the profitability of the Group.	• Continuous monitoring of prices of raw materials and components • Implementation of a pass-through policy in order to absorb price increases • For countries characterised by hyperinflation, definition of procurement strategies that involve the use of local sources in order to reduce foreign currency exposures deriving from imports
Exposure to potential losses arising from the non-performance of obligations undertaken by commercial counterparties.	• Definition and implementation of a Credit Management System that supports the Group in managing the entire credit management process and the use of insurance solutions to cover losses
Delays and interruptions in the supply chain due to macroeconomic instability, shortage of raw materials in the electronic components sector, extension of supply lead times, and application of protectionist measures.	• Definition of a procurement strategy aimed at not using “single source” supplies for critical components • Review of agreements with suppliers of raw materials and components aimed at strengthening Epta's commitment in terms of duration, costs, and quantities • Implementation of a digital tool to monitor the reliability of suppliers • In the medium term: carrying out cross-departmental activities with the teams responsible for seeking alternative technical product solutions to address potential or foreseeable challenges in the medium term in the supply of components
Litigation arising from access and inspections by local tax authorities	• Diligent and accurate management of tax processes, also through the use of specific procedures on particularly sensitive topics (i.e. transfer pricing), with a view to reducing uncertainties and maximising the Parent Company's control over the process • Adherence to Cooperative Compliance systems to better monitor tax risks and cooperate with tax authorities • Where applicable, assessment of the opportunity to resolve disputes through alternative procedures to litigation provided for by law, such as amicable conciliations with the tax authorities, MAP, etc.
Failure to achieve ESG targets with consequent reputational impacts	• Definition of a plan for strategic ESG initiatives and the related monitoring KPIs • Sharing these KPIs with the CEO and the “ESG Advisory Committee”

1.4.2 Materiality analysis and stakeholder engagement

As part of ESG reporting, the materiality analysis aims to identify the environmental, social, economic, and governance aspects considered relevant and significant for Epta's business and its stakeholders.
Under the GRI Universal Standard 2021, these topics are defined as "material" when they are associated with the most significant impacts (positive or negative, actual or potential, short or long term) that a company's activities can generate on the economy, environment, and people (impact materiality).
Aligned with its corporate strategies and considering the goals of the 2030 Agenda for Sustainable Development, Epta is committed to engaging stakeholders by sharing its strategies through a structured process, in line with the requirements of the relevant standards and applicable regulations, which involves the identification and assessment of sustainability issues relevant to the Organisation.
Engaging with stakeholders has enabled the identification of key areas that could significantly influence their evaluations and decisions. Additionally, it has provided a way to capture emerging trends within the context in which the Company operates, helping to understand the main impacts it generates. This understanding is crucial for prioritising the issues to invest in, with the ultimate goal of achieving stakeholder satisfaction.
The data emerging from sharing a questionnaire with both internal and external stakeholders (which can vary depending on the subject matter analysed, new business strategies, and changes in the environment in which it operates) have therefore enabled the prioritisation of management and mitigation strategies.
The organisation also evaluated the primary risks and opportunities associated with ESG issues identified as material, examining these issues in relation to potential risk scenarios that might hinder the attainment of strategic goals.
In 2024, a **structured process** was initiated to confirm the material topics, allowing for a detailed analysis of the context both inside and outside the Organisation. This activity was structured into the following steps:

- conducting a benchmark analysis on a sample of competitor, peer, and comparable companies to capture the latest trends in the commercial refrigeration industry;
- examination of existing internal documentation (e.g.: Code of Ethics, MOG 231, certifications, etc.);
- analysis of public documents and industry studies;
- assessment of the main international standards and frameworks adopted in sustainability reporting (e.g.: GRI Standard, ESRS, IFRS, etc.).

THE MATERIALITY MATRIX



The materiality analysis was subsequently submitted to the ESG Advisory Committee for validation and was also shared for informational purposes with the Control and Risk Committee before finally being approved by the Board of Directors.

The following diagram illustrates the prioritisation of material topics based on the significance of impacts.

EXTREMELY IMPORTANT

- Respect for the person and human rights
- Employment stability
- Health and Safety

VERY IMPORTANT

- Waste management
- Product conformity
- Innovation and digitalisation
- Governance and management of sustainability risks
- Economic performance and wealth distribution
- Workers' well-being, welfare
- Sustainable procurement practices
- Ethics and integrity
- Development of internal skills
- Business continuity
- Energy management
- Non-discrimination, equal opportunities
- Customer satisfaction
- Greenhouse gas emission management

IMPORTANT

- Responsible marketing
- Water management
- Transparent fiscal approach
- Privacy, data protection
- Involvement of suppliers to reduce environmental impact
- Sustainable living models
- Social Responsibility

From a risk-based approach perspective, all topics identified as material from the survey conducted with the involvement of our stakeholders (see par. 1.4.2), have been detailed in the tables below, divided into the three areas (environmental, social, and governance).

In addition to these, there is a fourth (cross-cutting) one, which reports on other aspects, also considered material, that do not fall within the three ESG areas.

Area	Material topic	Connected impact		Activity that generates the impact	Commitments and policies	Actions implemented	KPI	Monitoring processes
		Inside-Out	Outside-In					
Environmental	Managing greenhouse gas emissions and combating climate change	· Changes in biodiversity and ecosystems where the organisation operates. · Climatic variations that can expose local communities to extreme weather events.	· Strengthening or erosion of the organisation's reputational capital. · Loss or acquisition of market share. · Resilience rate of the organisation and guarantee of business continuity.	· Productive activities. · Use of high impact GHG refrigerant gases. · Logistics management. · Opportunity to raise awareness among both staff and customers of the implications of incorrect product handling throughout its life cycle.	· Application of the management system according to the technical standard ISO 1400I:2014. · Point 5 of the Group Policy for our management systems: "pledge to address the challenges posed by climate change by analysing our potential environmental aspects to reduce its impacts on the environment. Commit proactively to a process of improvement that optimises and reduces the use of energy, water, and other resources by employing sustainable and environmentally friendly sources, where available, for future generations". · Participation in the United Nations Global Compact.	· Use of low impact GHG refrigerant gases. · Introduction of hybrid/electric means of transport. · Collaboration with airlines for the use of green fuel. · Preparation of guidelines for an aware and responsible use of raw materials. · Sampling of emissions to verify compliance with the parameters set by the legislation of the individual countries where the company operates.	· Total amount of CO2 issued in each single production site. · Amount of CO2-Scope 1-issued in each single production site. · Amount of CO2-Scope 2-issued in each single production site.	· Allocation of indicators on a monthly basis within the ERP for timely analysis.
	Energy management, energy efficiency and renewables	· possibility of positively or negatively affecting: Ø CO$_2$ emissions which are at the root of climate change; Ø protection of biodiversity and ecosystems which underlie the entire economic and social system in which the organisation operates.	· ·Strengthening or erosion of the organisation's reputational capital, · Loss or acquisition of market share. · Level of exposure to operational risks associated with energy market volatility. · Ability to carry out the transition towards technologies with low emissions and environmental impacts with sufficient timeliness and effectiveness.	· Management of energy sources used for business activities. · Possibility of making certified products with low energy consumption. · Ability to keep up to date with the evolution of the regulatory framework and national and international standards on greenhouse gas emission reduction.	· Application of the management system according to the technical standard ISO 50001:2018. · Point 5 of the Group Policy for our management systems: "pledge to address the challenges posed by climate change by analysing our potential environmental aspects to reduce its impacts on the environment. Commit proactively to a process of improvement that optimises and reduces the use of energy, water, and other resources by employing sustainable and environmentally friendly sources, where available, for future generations". · Participation in the United Nations Global Compact.	· Self-production of energy from photovoltaic systems. · Self-production of electricity and heat from cogeneration. · Purchase of "certified" green energy. · Purchase of systems/equipment with high performance in terms of energy consumption. · Use of lighting systems both in the factories/offices and inside LED-type products. · Use of components for the production of products with low energy consumption.	· Total quantity of energy purchased in each single production site. · Total quantity of gas purchased in each individual Production site. · Quantity of electricity produced by the photovoltaic systems installed in some production sites.	· Allocation of indicators on a monthly basis within the ERP for timely analysis.
	Water management	· Changes in biodiversity and ecosystems where the organisation operates. · Possibility of having a positive or negative impact on the well-being and prosperity of the main stakeholders with whom the organisation interacts.	· Strengthening to erosion of the organisation's reputational capital. · Loss or acquisition of market share.	· Management of water resources. · Raising awareness of conscious use and waste.	· Application of the management system according to the technical standard ISO 1400I:2014. · Point 5 of the Group Policy for our management systems: "pledge to address the challenges posed by climate change by analysing our potential environmental aspects to reduce its impacts on the environment. Commit proactively to a process of improvement that optimises and reduces the use of energy, water, and other resources by employing sustainable and environmentally friendly sources, where available, for future generations". · Participation in the United Nations Global Compact.	· Closed loop production plants. · Collection and use of rainwater.	· Total amount of water used in each individual production site.	· Allocation of indicators on a monthly basis within the ERP for timely analysis.
	Procurement, waste management, circular economy	· Changes in biodiversity and ecosystems where the organisation operates. · Possibility of having a positive or negative impact on the well-being and prosperity of the main stakeholders with whom the organisation interacts.	· Prevention or (vice versa) application of sanctions resulting from non-compliance. · Strengthening or erosion of the organisation's reputational capital. · Loss or acquisition of market share.	· Management of waste products, with particular reference to dangerous substances recognised as toxic. · End of life product management. · Sharing of product end-of-life management information to the user.	· Application of the management system according to the technical standard ISO 1400I:2014. · Point 7 of the Group Policy for our management systems: "working in cooperation with external suppliers. We expect the highest standards of conduct and performance and promote the pursuit of sustainable solutions". · Participation in the United Nations Global Compact.	· Management of environmental impacts throughout the production chain. · Product end-of-life management. · Use of regenerated materials. · Verification of compliance with environmental legislation. · Preparation of guidelines for an aware and responsible use of raw materials	· Total amount of waste produced at each production site. · Total amount of waste recycled and disposed of at each production site. · Total amount of hazardous waste produced at each production site.	· allocation of indicators on a monthly basis within the ERP for timely analysis.

Area	Material topic	Connected impact		Activity that generates the impact	Commitments and policies	Actions implemented	KPI	Monitoring processes
		Inside-Out	Outside-In					
Social	Health and safety	· Possibility of positively or negatively affecting: Ø frequency and severity of injuries; Ø frequency and severity of occupational diseases, which can have repercussions on the physical integrity of the people	· Level of exposure to operational risks related to high rates of accidents, occupational diseases and absenteeism.	· Management of the entire production cycle from creation to delivery to the customer. · Management of the collection of reports on possible critical issues with the aim of implementing security. · Accident events caused by third-party companies that provide services in subcontracted areas.	· Application of the management system according to the technical standard ISO 50001:2018. · Point 3 of the Group Policy for our management systems: "adhere to applicable laws and requirements impacting our operations and products, taking care of our workers by committing to providing safe and healthy working conditions, implementing secure safety procedures, and ensuring excellent communication with all stakeholders". · Participation in the United Nations Global Compact.	· Application of current legislation. · Risk assessment. · Continuous monitoring. · Education, information and training. · Staff involvement.	· Frequency Index. · Severity index.	· allocation of indicators on a monthly basis within the ERP for timely analysis.
	Social Responsibility	· Possibility of positively or negatively affecting: Ø compliance with the laws and regulations (even of a voluntary nature) in force in the economic, environmental and social fields; Ø well-being and prosperity of the main stakeholders with whom the organisation interacts (e.g. employees, local communities, business partners, etc.): Ø contribution to the achievement of the Sustainable Development Goals (SOGs) of the UN Agenda 2030, with positive or negative impacts on the environmental, social and economic spheres.	· Strengthening or erosion of the organisation's reputational capital · in the eyes of stakeholders. · Solidity of brand awareness and brand equity.	· Managing compliance with laws and regulations in the markets where the company operates. · Protection of legality and unlawful conduct. · Attention to regulatory changes that may lead to threats of sanctions and reputational damage.	· Code of Business Ethics. · Participation in the United Nations Global Compact. · ESG Policy	· Collaborative initiatives with local institutions, schools, and volunteer associations.	· N.D.	· Periodic evaluation of the implementation of projects. · Periodic survey of the performance trends and actions taken by the ESG Committee.
	Development of internal skills and training	· Possibility of positively or negatively affecting: Ø employment stability for company staff; Ø opportunity for each employee to fully realize their potential.	· Level of exposure to operational risks associated with staff turnover and insufficient levels of employee retention.	· Human resource management that allows the availability of resources able to share skills with new hires.	· Point 6 of the Group Policy for our management systems: "Commit to enhancing our employees' experience by engaging in dialogue and collaboration with them and their representatives, and providing a comprehensive development and training programme […]". · Participation in the United Nations Global Compact.	· Analysis of training needs. · Creation of training course catalogues. · Planning and organisation of paths for the growth of personal skills. · Cooperation with schools to train young people in the refrigeration sector for future job placement.	· Hours of training provided annually for each employee.	· Management of training via the "Epta for Me" application.
	Respect for the person and human rights.	· Well-being and prosperity of the main stakeholders with whom the organisation interacts. · Protection of the fundamental rights of the members of the company's staff and of all those with whom the organisation interacts	· Strengthening to erosion of the organisation's reputational capital in the eyes of stakeholders · Solidity of brand awareness and brand equity.	· Management of human resources in terms of discrimination of staff working in the company. · Ethical management of business relationships.	· Code of Business Ethics. · Point 6 of the Group Policy for our management systems: "[...] we are committed to spreading a culture of inclusivity because we strongly believe that interpersonal differences promote better cooperation among individuals". · Participation in the United Nations Global Compact.	· Application of the corporate Code of Ethics based on the Universal Declaration of Human Rights and the ten principles of the Global Compact. · Analysis of corporate well-being.	· Collection and analysis of any reports.	· Internal Auditing. · Corporate Policies.
	Non-discrimination, equal opportunities and role of women	· Possibility of positively or negatively affecting: Ø employment stability for company staff; Ø opportunity for each employee to fully realize their potential; Ø gender gap, in terms of opportunities skills salary, etc.	· Level of exposure to operational risks associated with staff turnover and insufficient levels of employee retention.	· Management of human resources in terms of discrimination of staff working in the company. · Possibility of developing initiatives to increase employee inclusiveness, considering diversity as an added value.	· Code of Business Ethics. · Point 6 of the Group Policy for our management systems: "[...] we are committed to spreading a culture of inclusivity because we strongly believe that interpersonal differences promote better cooperation among individuals". · Participation in the United Nations Global Compact.	· Staff training. · Awareness campaigns on diversity and inclusion. · Increase of female personnel both within the production areas and in managerial and governance positions.	· Breakdown of staff by age, gender, type of contract	· Analysis of the composition of the company population using the "Epta for Me" application.
	Workers' well-being, welfare and work-life balance, sustainable living models	· Possibility of positively or negatively affecting: Ø levels of work-related stress experienced by company staff; Ø opportunities for employees to realize their potential;	· Level of exposure to operational risks associated with Staff turnover and insufficient levels of employee retention.	· Management of work flows and working hours in relation to the business carried out. · Human resource management in terms of placement of people with medical limitations. · Management of internal mobility with the possibility of aspiring to better positions within the company.	· Participation in the United Nations Global Compact.	· Implementation of corporate welfare policies with initiatives, goods and services to support income, increase spending power and improve health and well-being. · Working methods aimed at balancing and reconciling professional and private life. · Use of smart working to deal with any medical-health problems.	· Frequency Index. · Severity index. · Absenteeism index. · Percentage of use of smart working.	· Allocation of indicators on a monthly basis within the ERP for timely analysis.

Area	Material topic	Connected impact		Activity that generates the impact	Commitments and policies	Actions implemented	KPI	Monitoring processes
		Inside-Out	Outside-In					
	Product conformity and quality standards	· Possibility of positively or negatively affecting the level of availability of high quality, standard-compliant products.	· Loss or acquisition of market share. · Level of customer loyalty.	· Ability to manufacture products in accordance with customer requirements that do not have functional defects. · Management of the supply, installation and start-up of the plants. · After-sales management service.	· Application of the management system according to the technical standard ISO 50001:2018. · Point 2 of the Group Policy for our management systems: "foster a quality-driven mentality with the goal of designing, manufacturing and providing products and services that incorporate, within specification limits, the most recent and innovative solutions, with zero defects, reliable, safe, and high-performing, by monitoring our processes through internal and external audits. Upon the release of our products, we ensure that they meet customer's requirements and that our measurement and monitoring equipment remains calibrated". · Group Quality Policy	· Upon release, verifying that all products comply with the customer's requirements. · Extensive testing of measuring and monitoring equipment to ensure calibration. · Validation of compliance with product standards by third-party certification bodies.	· N.D.	·
	Customer satisfaction	· Possibility of positively or negatively affecting the level of availability of high quality products in line with customer expectations.	· Loss or acquisition of market share. · Level of customer loyalty.	· Ability to manufacture products in accordance with customer requests. · Ability to collect information on customer satisfaction for the services provided. · Management of the supply, installation and start-up of the plants. · After-sales management service.	· Application of the management system according to the technical standard ISO 50001:2018. · Point 2 of the Group Policy for our management systems: "foster a quality-driven mentality with the goal of designing, manufacturing and providing products and services that incorporate, within specification limits, the most recent and innovative solutions, with zero defects, reliable, safe, and high-performing, by monitoring our processes through internal and external audits. Upon the release of our products, we ensure that they meet customer's requirements and that our measurement and monitoring equipment remains calibrated". Group Quality Policy	· Interaction with customers to accompany them in choosing the products that best match their needs. · Support in the design and implementation of the point of sale. · Supply of remote management and scheduled maintenance services, designed on the specific needs of the customer. · After-sales support.	· N.D.	·
	Responsible marketing	· Ability to contribute to the satisfaction of real customer needs/requirements.	· Loss or acquisition of market share. · Level of customer loyalty.	· Ability to transparently communicate the characteristics of the products placed on the market, avoiding greenwashing.	· Group Quality Policy	· Raising customer awareness on ESG topics.	· N.D.	·

Area	Material topic	Connected impact		Activity that generates the impact	Commitments and policies	Actions implemented	KPI	Monitoring processes
		Inside-Out	Outside-In					
Governance	Work ethics, integrity and compliance	· Possibility of having a positive or negative impact on the well-being and prosperity of the main stakeholders with whom the organisation interacts.	· Possible manufacturing bans and general administrative responsibilities. · Prevention or (vice versa) allocation of sanctions resulting from non-compliance with laws and regulations. · Strengthening or erosion of the organisation's reputational capital. · Investment attractiveness and access to capital. · Loss or acquisition of market share.	· Managing compliance with laws and regulations in the markets where the company operates. · Protection of legality and prevention of unlawful conduct. · Attention to regulatory changes that may lead to threats of sanctions and reputational damage.	· Code of Business Ethics. · Point 4 of the Group Policy for our management systems: "adopt a 'risk-oriented' approach to mitigate its effects and pursue continuous improvement strategies by identifying, analysing, and reviewing our processes". · Participation in the United Nations Global Compact.	· Governance system that ensures that all employees follow appropriate and transparent decision-making processes. · Taking care of stakeholders' interests by applying processes that are subject to verification and control. · Presence of a Supervisory Body for the verification of the company's operations with the aim of complying with Legislative Decree No. 231. · Internal auditing system.	· Reports received by the Supervisory Body.	· Supervisory Board Internal Auditing · Analysis of critical issues by the Control and Risk Committee.
	Privacy, data protection, information security	· Possibility of positively or negatively affecting the protection of the security and confidential information of customers and all those with whom the Organisation interacts.	· Strengthening or erosion of the organisation's reputational capital. · Loss or acquisition of market share. · Impact on customer trust.	· Ability to deal with cyber attacks and sabotage that may lead to loss of sensitive data and disruptions and/or delays in the conduct of business activities. · Management of data processing systems in line with the regulations applied in the individual countries where the company operates. · Presence of redundant data back-up systems to ensure continuity of production activities.	· Code of Business Ethics. · Point 8 of the Group Policy for our management systems: "ensuring the protection of personal data by collecting and processing it in accordance with current regulations".	· Regular computer security testing with verification of external penetration of the corporate network. · Specific training of all employees on the risks associated with the use of computer systems. · Data backup systems. · Disaster recovery actions.	· Report of both penetration tests and system vulnerability. · Report on the level of dissemination of training and on the methods of application of safety systems.	· Daily monitoring and tracking of attempts to penetrate the company network.
	Governance and management of sustainability risks	· Possibility of positively or negatively affecting: Ø compliance with the laws and regulations (even of a voluntary nature) in force in the economic, environmental and social fields; Ø well-being and prosperity of the main stakeholders with whom the Organisation interacts (e.g. employees, local communities, business partners, etc.); Ø contribution to the achievement of the Sustainable Development Goals (SDGs) of the UN Agenda 2030, with positive or negative impacts on the environmental, social and economic spheres.	· Strengthening or erosion of the organisation's reputational capital. · Loss or acquisition of market share.	· Management of staff training. · Possibility of carrying out dissemination of ESG aspects to customers. · Integrated business management.	· The entire Group policy for our management systems is based on responsible business management. · Participation in the United Nations Global Compact.	· Presence of a dedicated committee aimed at defining the guidelines in the ESG area as well as performance monitoring. · Definition of a strategic business plan including activities that impact sustainability aspects.	· Accident indices. · Energy consumption. · Water consumption. · CO_2 emissions. · Employment trend.	· Allocation of indicators on a monthly basis within the ERP for timely analysis. · Periodic report of the performance trends and actions taken by the ESG Committee.
	Sustainable procurement practices – Involvement of suppliers to reduce environmental impact	· Ability to positively or negatively affect the well-being and prosperity of key Stakeholders with whom the organisation interacts, including those operating along the supply chain.	· Customer loyalty. · loss or acquisition of market share.	· Relationship management and customer satisfaction. · Supply chain management with impacts on delivery times. · Compliance with laws and regulations. · Management of environmental impacts throughout the production chain. · Availability of products/parts from the circular economy.	· Application of the management system according to the technical standard ISO 9001:2014. · Point 7 of the Group Policy for our management systems; "working in cooperation with external suppliers. We expect the highest standards of conduct and performance and promote the pursuit of sustainable solutions".	· ESG assessment of the supply chain. · Resilient supply chain, capable of quickly adapting to changes induced by the markets. · Sustainable procurement that integrates requirements, specifications and criteria compatible with the protection of the environment and society as a whole into the choice of suppliers. · Use of components for the creation of low environmental impact products.	· Monitoring by providers of the achievement of pre-set targets to suppliers.	· Assessment of supplier performance not only from a technical/economic point of view but also in compliance with ESG aspects.

Area	Material topic	Connected impact		Activity that generates the impact	Commitments and policies	Actions implemented	KPI	Monitoring processes
		Inside-Out	Outside-In					
Cross-cutting	Economic performance and wealth distribution	· Possibility of having a positive or negative impact on the well-being and prosperity of the main stakeholders with whom the organisation interacts. · Impact of the continuity of work activities on Epta's stakeholders, including the employment effects on workers and partners in the value chain Employment stability.	· Resilience rate of the Organisation and guarantee of business continuity. · Organisation's capacity to attract investment and access capital. · Possibility of entering new markets not yet evaluated.	· Management of business operations in different geographical areas, with different characteristics with respect to inflation rates or social, economic and government stability. · Compliance with contractual obligations by the customer. · Management of the relationship with customers of different sizes.	· Code of Business Ethics.	· Definition of a strategic plan with monitoring and updating.	· All performance indicators related to the business (economic, environmental and social).	· monthly monitoring of performance carried out both centrally and in individual production/commercial locations.
	Business continuity and ability to react and adapt	· Possibility of positively or negatively affecting: Ø employment stability for company staff; Ø Well-being and prosperity of the main stakeholders with whom the organisation interacts.	· Strengthening or erosion of the organisation's reputational capital in the eyes of its main stakeholders. · Organisation's capacity to attract investment and access capital. · Organisation's resilience rate and ability to remain in the market.	· Management of supply schedules with respect to customer requirements. · Availability of single-source suppliers. · Management of market demands vitiated by geopolitical situations with a direct impact on continuity, flexibility, and supply prices. · Ability to manage business integration processes, especially in the case of M&A. · Production flexibility. · Managing the geographical location of plants and sales units. · Structure dedicated to the search for new growth opportunities. · Capacity for organisational adaptation with respect to flexibility and responsiveness to market-driven changes.	· Point 5 of the Group Policy for our · management systems: "identify, analyse, assess and review our processes, risks and non-conformities and find best practices for continuous improvement". · Participation in the United Nations Global Compact.	· Optimisation and standardisation of production processes. · Proactive reaction to market demands. · Harmonisation of technologies to increase efficiency. · Production planning at the various sites to optimize the load according to customer requirements and component availability.	· Trends in production. · Production efficiency.	· Allocation of indicators on a monthly basis within the ERP for timely analysis.
	Innovation and digitalisation	· Possibility of positively or negatively affecting: Ø level of availability of products with high consumption and environmental emission characteristics (depending on new technologies for optimising operation). Ø Well-being and prosperity of the stakeholders with whom the organisation interacts.	· Loss or acquisition of market share. · Entry into new markets not yet explored.	· Ability to create technologically advanced · products suitable for reducing the environmental impact. · Presence of remote monitoring systems. · Ability to find information easily and in electronic format.	· Point 2 of the Group Policy for our management systems: "foster a quality-driven mentality with the goal of designing, manufacturing and providing products and services that incorporate, within specification limits, the most recent and innovative solutions, with zero defects, reliable, safe, and high-performing, by monitoring our processes through internal and external audits. Upon the release of our products, we ensure that they meet customer's requirements and that our measurement and monitoring equipment remains calibrated".	· Huge investments in Research and Development. · Presence at both national and international discussion tables on sector regulation.	· Consumption containment project target with final performance declaration.	·
	Transparent fiscal approach	· Ability to positively or negatively affect the well-being and prosperity of key Stakeholders with whom the organisation interacts, including those operating along the supply chain.	· Customer loyalty. · Loss or acquisition of market share.	· Compliance with tax legislation	· Tax Code of Conduct. · Group tax strategy.	· Entry into the collaborative compliance regime with the Revenue Agency.	· N.D.	· Internal tax compliance assessment process.

1.4.3 Table of GRI indicators

DISCLOSURE NUMBER	TITLE OF DISCLOSURE	REF. IN THE TEXT	NOTES OR OMISSIONS
General disclosures [GRI 2-2021]			
2-1	Organisational details	Page 21	
2-2	Entities included in the organisation's sustainability reporting	Page 22	
2-3	Reporting period, frequency and contact point	Page 21, 152	
2-4	Restatements of information	Page 22	
2-5	External assurance	Pages 146-151	
2-6	Activities, value chain and other business relationships	Pages 7, 9, 11, 12, 53-55, 58-60, 65	
2-7	Employees	Pages 63, 64, 66	
2-9	Governance structure and composition	Page 23, 26	
2-11	Chair of the highest governing body	Page 25	
2-12	Role of the highest governance body in overseeing the management of impacts	Page 27	
2-13	Delegation of responsibility for managing impacts	Page 27	
2-14	Role of the highest governance body in sustainability reporting	Page 20, 23, 27, 36	
2-15	Conflicts of interest	Page 81, 82	
2-16	Communication of critical concerns	Page 27	
2-17	Collective knowledge of the highest governance body	Pages 29-32	
2-18	Evaluation of the performance of highest governance body	Page 24	
2-19	Remuneration policies	Page 28	
2-20	Procedure for determining remuneration	Page 28	
2-22	Statement on sustainable development strategy	6, 29-32	
2-23	Policy commitment	81, 82	
2-25	Processes to remediate negative impacts	33, 34, 73, 74	
2-26	Mechanisms for seeking advice and raising concerns	81, 82	
2-28	Membership associations	76	
2-29	Approach to stakeholder engagement	35	
Material topics [GRI 3-2021]			
3-1	Process to determine material topics	Page 35	
3-2	List of material topics	Pages 36-42	
Business continuity and ability to react and adapt			
3-3	Management of material topics	Page 42	
201-4	Financial assistance received from government	Page 132	
415-1	Political contributions	-	Not given
Work ethics, integrity and compliance			
3-3	Management of material topics	Page 41	
205-1	Operations assessed for risks related to corruption	Page 84	
205-3	Confirmed incidents of corruption and actions taken	Page 84	
402-1	Minimum notice periods regarding operational changes	-	The minimum notice period is regulated by law and varies according to the country considered.
Privacy, data protection, information security			
3-3	Management of material topics	Page 41	

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	The organisation has not identified incidents of privacy breaches and loss of customer data.
Governance and management of sustainability risks			
3-3	Management of material topics	Pages 38-42	
Innovation and digitalisation			
3-3	Management of material topics	Page 42	
Product conformity and quality standards			
3-3	Management of material topics	Page 40	
Customer satisfaction			
3-3	Management of material topics	Page 40	
416-1	Assessment of health and safety impacts of product and service categories	Page 73, 74	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 74	During 2024, 2 non-conformities (on two products in the range) with possible product-related health and safety impacts were reported and managed.
Responsible marketing			
3-3	Management of material topics	Page 40	
417-1	Requirements for product and service information and labelling	Page 53, 54	
417-2	Incidents of non-compliance concerning product and service information and labelling	-	Not found
417-3	Incidents of non-compliance concerning marketing communications	-	Not found
Economic performance and wealth distribution			
3-3	Management of material topics	Page 42	
201-1	Direct economic value generated and distributed	Pages 13-16	
203-1	Infrastructure investments and services supported	Page 118	
Sustainable procurement practices			
3-3	Management of material topics	Page 38, 41	
301-1	Materials used by weight or volume	Page 58	
Managing greenhouse gas emissions and combating climate change			
3-3	Management of material topics	Page 38	
305-1	Direct (Scope 1) GHG emissions	Page 56	
305-2	Energy indirect (Scope 2) GHG emissions	Page 56	Local Based Method: 12,908 ton /CO_2e
305-5	Reduction of GHG emissions	Page 56	
Energy management, energy efficiency and renewables			
3-3	Management of material topics	Page 56	
302-1	Energy consumed within the organisation	Page 56	
302-3	Energy intensity	Page 56	
302-4	Reduction of energy consumption	Page 56	
302-5	Reductions of energy requirements of products and services	Page 53	
Water management			
3-3	Management of material topics	Page 38	
303-1	Interactions with water as a shared resource	Page 57	

303-5	Water consumption	Page 57	
Protection of biodiversity			
3-3	Management of material topics	Page 38	
Procurement, waste management, circular economy			
3-3	Management of material topics	Page 38	
306-3	Waste generated	Page 61	
306-4	Waste diverted from disposal	Page 61	
306-5	Waste directed to disposal	Page 61	
Health and safety			
3-3	Management of material topics	Page 39	
403-1	Occupational health and safety management system	Page 70, 75	
403-2	Hazard identification, risk assessment and incident investigation	Page 70	
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 70	
403-6	Promotion of worker health	Page 70	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 74	
403-9	Work-related injuries	Page 70	
Ability to attract and retain resources			
3-3	Management of material topics	Page 39	
404-1	Average hours of training per year per employee	Page 67	
404-2	Programs for upgrading employee skills and transition assistance programmes	Page 68, 69	
Respect for the person and human rights			
3-3	Management of material topics	Page 39	
406-1	Incidents of discrimination and corrective actions taken	-	The organisation has not identified incidents of discrimination.
411-1	Incidents of violations involving rights of indigenous peoples	-	The organisation has not identified any incidents or violations involving indigenous peoples' rights.
413-2	Operations with significant actual and potential negative impacts on local communities	-	The organisation has not identified any current or potential impacts that could affect local communities.
Role of women and equal opportunities			
3-3	Management of material topics	Page 39	
405-1	Diversity of governance bodies and employees	Pages 25, 26, 66	
405-2	Ratio of basic salary and remuneration of women to men	-	This is governed by the laws applied in the individual countries where the organisation operates
Workers' well-being, welfare and work-life balance			
3-3	Management of material topics	Page 39	

2. ENVIRONMENTAL INFORMATION

2. ENVIRONMENTAL INFORMATION

2.1 EU Taxonomy

2.1.1 The regulatory framework

The Taxonomy Regulation sets **common EU-wide criteria for defining economic activities as environmentally sustainable**, referencing six objectives:

a) climate change mitigation (CCM);

b) climate change adaptation (CCA);

c) sustainable use and protection of water and marine resources;

d) transition to a circular economy (CE);

e) prevention and reduction of pollution;

f) protection and restoration of biodiversity and ecosystems.

Eligible activities correspond to any activities explicitly included in the lists of economic activities in Annexes I and II of Delegated Regulation (EU) 2021/2139 (Climate Delegated Act) and Annexes I-IV of Delegated Regulation (EU) 2023/2486 (Environment Delegated Act)[7]. The updated list of activities can be reviewed on the European Commission's Taxonomy Compass.[8]

Aligned activities are those that not only are eligible but are also environmentally sustainable under Article 3 of Regulation (EU) 2020/852, thereby simultaneously fulfilling the following criteria:

- **substantial contribution** to fulfilling one or more environmental objectives;
- absence of considerable harm to any of the other environmental objectives (**DNSH**[9] principle);
- compliance with the **Minimum Safeguard Guarantees**;
- **compliance with the criteria under technical scrutiny established** by the Commission through the Climate Delegated Act and the Environment Delegated Act.

As defined by the Delegated Regulation (EU) 2021/2178 (Delegated Act Disclosure), companies subject to it must publish KPIs for Turnover, CapEx, and OpEx concerning their eligibility and alignment with the Taxonomy objectives.

The KPIs are expressed as a percentage of eligible assets aligned with the Taxonomy Regulation requirements based on the total of each of the three economic-financial indicators, according to the accounting criteria defined by the Delegated Act Disclosure.

For FY 2024, the Group is not required to prepare a disclosure according to the Taxonomy Regulation. In preparation for the Corporate Sustainability Reporting Directive (CSRD) coming into effect in FY 2025, the Epta Group conducted a pilot analysis limited to eligibility reporting, the results of which are documented in the following paragraph.

[7] Ineligible activities include, by difference, any economic activity for which technical screening criteria are not yet available.

[8] https://ec.europa.eu/sustainable-finance-taxonomy/taxonomy-compass

[9] Do No Significant Harm.

2.1.2 Analysis conducted

The Group reviewed its economic activities to evaluate their alignment with the NACE codes relevant to Group companies, as well as the descriptions provided in the Climate Delegated Act and the Environment Delegated Act, **in relation to its business activities and activities connected to its operations**.

The figures shown in the table below pertain to both the activities related to the Group's core business and processes not directly tied to the main activities, linked to the daily management of its office and plant operations, as well as the efficiency of its buildings and company assets.

The table shows the breakdown of the three KPIs required by the Taxonomy Regulation for each eligible activity, with reference to turnover, capital expenditure, and operating expenditure for the year 2024, in line with the provisions defined by the Delegated Regulations: the numerator and the denominator of the percentage ratios are calculated in accordance with the accounting criteria outlined in paragraph 1.1 of Annex I of the Delegated Act Disclosure.

The denominator of the KPIs is indicated as relating to the consolidated Group values.

Given that this is an initial voluntary approach, some limitations, and assumptions were adopted concerning the identification of the numerator of the KPIs, in particular:

- companies within the Group that use an accounting system different from that of the parent company, Epta S.p.A., were excluded from the analysis;
- the focus remained on Group companies engaged in production activities, excluding purely commercial entities from the analysis unless the data reported were clearly identifiable in the accounting systems;
- taking into account the Group's scale, a general significance criterion was adopted for the analysis of the values to be entered as the numerator of the KPIs.

Economic activities within the meaning of the delegated regulations Taxonomy	Eligible activities for the Epta Group	KPI Turnover	KPI CapEx	KPI OpEx
DELEGATED REGULATION (EU) 2021/2139 Annex I – Climate Change Mitigation				
4.1 Electricity generation by photovoltaic solar technology	Photovoltaic systems owned by the Group	0.002%	0.803%	0.055%
6.5. Transport by motorbikes, cars, and light commercial vehicles	Company car fleet	-	1.17%	8.92%
7.1 Construction of new buildings	Expansion of the Group's sites	-	18.19%	-
7.3 Installation, maintenance, and repair of devices for energy efficiency	Installation and maintenance of energy saving devices	-	0.611%	0.340%
9.1 Research, development, and innovation close to the market	R&D projects for the study of GHG reduction solutions	-	7.39%	0.621%
DELEGATED REGULATION (EU) 2023/2486 Annex II - Transition to a circular economy				
1.2 Manufacture of electrical and electronic equipment	Production and sale of refrigeration counters and cold rooms	59.83%	5.64%	4.13%
4.1 Provision of data-driven IT/OT (information technology/operational technology) solutions	Investments in software for managing and monitoring suppliers	-	1.05%	0.265%
Total		**59.84%**	**34.85%**	**14.34%**

Considering each of the activities presented, below is a list of cost and revenue items that have been deemed eligible for the Taxonomy and are thus included in the KPI numerator.

DELEGATED REGULATION (EU) 2021/2139

- 4.1 - Electricity generation by photovoltaic solar technology

The Group, primarily to support its production facilities, has installed a series of photovoltaic systems.
The Epta Group expanded its photovoltaic plant facilities in 2024 with the installation (still ongoing as of 31 December 2024) of a new plant owned by them at their Italian headquarters in Limana, making an investment that contributed to the Capex KPI. In this regard, investments were also made at the US headquarters.
Maintenance costs related to existing plants are included in the OpEx KPI. A portion of the electricity produced by the plants is also sold to the grid, and the resulting revenues realised by the parent company from transactions with the GSE have been included as eligible turnover.

- 6.5 - Transport by motorbikes, cars, and light commercial vehicles

Long-term leasing costs for cars, accounted for under the IFRS16 standard, were included in the CapEx KPI, which resulted in an increase in the assets as defined by Reg. (EU) 2021/2178; the KPI perimeter includes all Group companies that have reported car rentals for accounting under IFRS16, therefore, in this specific case, there are no specific limitations on the reporting of the numerator.
The costs for short-term rentals, part of the Group's operational costs, were included in the OpEx KPI. These costs relate to the companies that, as explained in the previous paragraph, use the same accounting system as the Parent Company, being readily accessible and traceable in accounting. Therefore, the reference perimeter mainly consists of Epta S.p.A., Epta Deutschland GmbH, EPTA France S.A., Epta Peru SAC, Epta Chile S.A., EPTA UAE, Epta Iberia S.A.U., Epta UK Ltd, Epta International Kft, KYSOR WARREN EPTA US CORP, and Epta Refrigeration Portugal. The maintenance costs are also included.

- 7.1 - Construction of new buildings
- The investments made in this area in 2024 are related to the expansion of the sites in Corlu, Turkey, and Queretaro, Mexico.
- 7.3 - Installation, maintenance, and repair of devices for energy efficiency

The CapEx KPI includes the Group's investments in the French facility and the Italian plants for extraordinary maintenance and the replacement of lighting systems with LED lights, due to their greater energy efficiency, as well as heating, ventilation, and air conditioning systems.
The OpEx KPI mainly includes:

  - ordinary maintenance costs (including maintenance materials) for lighting, heating, ventilation and air conditioning systems;
  - maintenance of roofing insulation materials;
  - maintenance of the gas cogenerator at the Italian plant in Limana (BL).

- 9.1 - Research, development, and innovation close to the market

The Group's CapEx and OpEx expenditures in this domain are tied to specific projects carried out by the R&D area, related to researching solutions that allow the use of GHG with low Global Warming Potential and improve the energy efficiency of Epta products, thereby having a lower impact on emissions. Only projects with TRL[10] greater than or equal to 6 were considered eligible.
CapEx also includes the cost of capitalised personnel with reference to the reported projects.

10 Technology Readiness Level

DELEGATED REGULATION (EU) 2023/2486 ANNEX II - TRANSITION TO A CIRCULAR ECONOMY

- 1.2 - Manufacture of electrical and electronic equipment

In the manufacture of electrical and electronic equipment, Epta's core business involves the construction of refrigerated benches, cold rooms, and refrigeration systems. Consequently, the revenues from the sale of cabinets are included in the turnover KPI.
The CapEx related to this activity includes strictly defined industrial investments, including all machinery purchases and the costs of constructing new production lines and plants specifically for the production of cabinets.
OpEx expenses are related to the maintenance of the aforementioned assets.

- 4.1 - Provision of data-driven IT/OT (information technology/operational technology) solutions

The reported investments for this activity include the costs for acquiring and developing ICT technologies aimed at remotely collecting, processing, transferring, and storing data from equipment and products during their operational use, as well as software for managing suppliers and the supply chain.
The OpEx costs essentially refer to the software licences (short-term leases) related to the aforementioned investments.
In view of the future application of the CSRD and to complete the process initiated, the Epta Group is committed to:

- Expand the scope of the analysis of KPI numerator data to encompass both the entities involved in activity mapping and the cost items outlined by the Information Regulation;
- Verify the alignment criteria for the eligible activities already identified;
- Update accounting systems to ensure the traceability of economic data associated with relevant activities.

2.2 Climate Change

2.2.1 Management of impacts

In our role as industry leaders, we have a responsibility to combat climate change, with the aim of not damaging and depleting the ecosystem around us, thus preserving it for future generations.

With this understanding, we analyse the risks and potential impacts (see chapters 1.2.5 and 1.4), including financial ones, to enhance our resilience and capitalize on the opportunities offered by the ecological transition through strategies guided by a management sensitive to these topics. These strategies are annually translated into concrete projects that foster a solid culture of sustainability within the company and among our suppliers.

We cannot disregard the use of energy, as it is essential for the operation of our production facilities. However, we are aware that it is also the main cause of greenhouse gas emissions, and we are committed to maximising the efficiency of its consumption through:

- the adoption of increasingly less energy-intensive production processes that ensure, at the same time, economically sustainable operations;
- a more conscious sourcing from certified renewable sources;
- a programme for the progressive increase in self-production of energy through the installation of photovoltaic systems.
- Moreover, we are actively engaged in a series of actions:
- we are progressively **implementing the environmental management systems (ISO 14001) and the energy management systems (ISO 50001).** This is both to respond to the evolution of technical and regulatory requirements and to implement the systematic collection of indicators preparatory to the definition of improvement plans, such as the control of the qualitative parameters of our atmospheric emissions, in line with the legislative requirements of the countries where we operate;
- we have activated some **emission offsetting projects with reforestation activities** both in Italy and abroad;
- we are progressively **including electric or hybrid vehicles in the corporate pool** to make our mobility increasingly sustainable;
- **we provide financial support to the Air France-KLM** initiative for the production and use of SAF (Sustainable Aviation Fuel) on our staff's business flights, a low environmental impact fuel that allows for reduced CO_2 emissions compared to conventional fuels;
- **we monitor our environmental performance both locally and at Group level on a monthly basis**. This enables us to verify whether the actions we are implementing align with the expected objectives, putting us in the position to intervene promptly to mitigate any issues that might cause deviations from the commitments shared in the Strategic Plan;
- with the intention of having a significant impact in the fight against climate change, **during 2024 we began the process of mapping our carbon footprint**. Our aim is to join the SBTi, the pathway that allows companies to establish greenhouse gas (GHG) emission reduction targets in line with what is necessary to maintain global warming below catastrophic levels and achieve net zero by 2050.

Challenges and opportunities for constantly evolving solutions and services

Global greenhouse gas emissions are set to increase in the future, especially if we consider that many developing countries will soon have access to the cold chain for transporting and storing foodstuffs, as well as to air-conditioning systems as temperatures continue to rise.
Opting for natural refrigeration will increasingly become essential in reducing the carbon footprint, particularly considering the **new F-Gas Regulation** effective from 11 March 2024, which aligns the HVAC&R sectors' framework with the European Green Deal, aiming for carbon neutrality by 2050.
In order to support our customers in the ecological transition, we have designed **future-oriented, eco-friendly and efficient solutions and technologies**. In this sense, we promote the adoption of natural refrigerants for all sales surfaces in any climatic condition: **100% of remote counters are already available with natural refrigerants** like CO_2 or other low GWP (global warming potential) gases, while all plug-in and integral[11] counters are available with other natural refrigerants, such as R290 (propane).
We have also developed a range of innovative systems for transcritical CO_2 power plants, such as **FTE 2.0 (Full Transcritical Efficiency) and ETE (Extreme Temperature Efficiency),** capable of maximising efficiency and minimising energy costs at any latitude, even in climates with temperatures exceeding 40°C. In 2023, we launched **our XTE (Extra Transcritical Efficiency) system**, created with the aim of **making the use of natural refrigerant CO_2 increasingly efficient and advantageous at every latitude**, even in the most extreme climates. Developed in collaboration with Energy Recovery, a Californian company specialising in the creation of energy-efficient technologies for industrial and commercial plants, XTE involves the retrofitting of a widespread energy recovery device in water desalination in order to boost the plant's performance throughout the year: it starts working as early as +10°C and at temperatures above +40°C it allows savings of over 30% compared to a traditional transcritical system.
Another product that showcases our commitment to sustainability is **Unit**, developed with the aim of anticipating the future paradigm of refrigeration in terms of regulations and technology and interpreting the sector's key requirements for sustainability and operational efficiency. **Designed according to the principles of the circular economy**, the modular showcase is made from cork due to its insulating properties, as well as sheet metal, glass, and PLA, a bioplastic derived from renewable resources. Following the **Design for Disassembly strategy** results in simplified disassembly and assembly processes, leading to quicker maintenance, a prolonged product lifespan, and genuine end-of-life recyclability.
The most important innovation projects have focused on precisely the development of **Best in Class solutions** aimed at ensuring customers lower bills. The push towards efficiency has been encouraged both by the constraints of the Energy Labelling Regulation and by the increase in energy costs.

[11] Integral: with a built-in motor but with functional and aesthetic features comparable to a remote counter.

Ecodesign and Energy Labelling

The extension of the applicability of “Ecodesign” and “Energy Labelling” standards to our sector - which requires all manufacturers to objectively highlight the consumption of different products (ref. page 54) - has competitively enhanced the decision made back in 2008 to voluntarily adhere to the “Eurovent” energy certification scheme, which ensures the energy efficiency of our range.
In this context, our R&D team has an internal programme called “**EPTA DESIGN FOR ENVIRONMENT**” which defines three priorities in the design and development of new products:

1) energy efficiency, for production and use;
2) innovation of materials, to reduce the consumption of resources used and find solutions with a low environmental impact;
3) recycling, for the possible update of products and their disposal at the end of their life cycle.

Research programs

Our commitment to research activities at European and international level continues in line with the most relevant issues for the commercial refrigeration sector.

2022 - Life Vicorpan (closing in 2025)

The LIFE VICORPAN project was launched in 2022, with Epta as a part, co-funded by the European Union. It aims to enhance the efficiency and recyclability of domestic and commercial refrigeration solutions, reduce greenhouse gas emissions, and facilitate the recycling of cooling appliances using insulating vacuum panels. The Group's commitment is reflected in the use of the new Vacuum Insulation Panels (VIP), developed as part of the initiative, for its products.

2022 - Enough Programme (closing in 2025)

Epta has also participated in the ENOUGH Programme, funded by the European Union under H2020, which aims to decarbonise the food chain and involves collaboration with over 28 partners, including businesses, research institutions, and European universities. The project aims to create new knowledge, technologies, tools, and methods to help the food sector reduce greenhouse gas emissions by 2030 and achieve carbon neutrality by 2050.

2.2.2 Metrics

The amount of CO_2 emitted by our production and technical-commercial entities is compared with benchmark indicators to periodically assess the achievement of the established targets. The results also stimulate the search for solutions to improve energy efficiency by applying new technologies related to smart factory logic.

Year	Ton CO_2e - Scope 1[1]			Ton CO_2e - Scope 2[2]		
	Total	Production sites	Technical/ commercial sites	Total	Production sites	Technical/ commercial sites
2022	8,597.34	8,595.46	1.88	11,481.84	10,994.46	487.38
2023	8,139.87	8,122.52	17.35	8,785.42	8,138.56	646.86
2024	8,135.39	8,121.98	13.41	10,990.62	10,310.04	680.58

(1) The emissions covered by Scope 1 are gas and combustion oil. Commonly recognised factors were used for the transformation, namely, the factor 2.05 $kgCO_2e$/mc for methane gas and liquid propane gas, and the factor 3.17493 $kgCO_2e$/mc for combustion oil.

(2) For a more granular analysis of emissions falling under Scope 2 (electricity), the emission factors of the individual countries where the production sites, both technical and commercial, of the Company are located were taken into account. For the sites using district heating, the conversion factor used is 0.17965 $kgCO_2e$/kWh.

It should be noted that the result is determined using the individual national conversion factors (market based method) applicable where the Company operates both with production sites and technical-commercial sites (a comprehensive list is provided in point 1.1.3 Reporting perimeter). The emission values determined using the "local-based method" are reported in the table referred to in section 1.4.2, Table of GRI Indicators.

Energy consumption (GJ)[1]	2024	2023	2022
Electricity	138,893	124,895	130,550
Photovoltaic	11,477	10,227	9,193
Methane gas	137,231	139,329	143,509
Propane gas	517,123	367,189	474,341
Heating oil	4,429	3,989	6,034
District heating	17,447	7,896	---

(1) The data cannot be compared with those from previous years as the latter did not take into account the technical-commercial entities monitored starting from 2023 and the Porvoo production site, which began being monitored in 2024.

Energy intensity GJ/k€ net revenues[1]	2024	2023	2022
	0.491	0.467	0.572

(1) The data cannot be compared with those from previous years as the latter did not take into account the technical-commercial entities monitored starting from 2023 and the Porvoo production site, which began being monitored in 2024.

Electricity from renewable sources[1]	
Year	%
2022	43.43
2023	46.00
2024	43.25

(1) Relationship between the total electricity used (purchased and self-used photovoltaic) and green energy (purchased from certified renewable sources and self-used photovoltaic)

Photovoltaic energy production (kWh)			
Year	Total	Self-consumed	Sold
2022	2,849,074.00	2,533,712.00	295,362.00
2023	3,140,252.82	2,840,899.22	299,353.60
2024	3,763,617.74	3,216,275.88	547,341.86

Path to CO_2 emission reduction (Scope 1 and 2) in line with the Strategic Plan. Reduction of 56.20% compared to the baseline year (2021), considering the same measurement perimeter.

2025	2026	2027	2028	2021/2028
-8%	-9%	-9%	-8%	-56.20%

2.3 Water, biodiversity, and ecosystems

2.3.1 Management of impacts

Climate change - often characterised by extreme weather phenomena - generates irregular water availability and also calls into question the availability of this resource both quantitatively and over time.

Water is necessary for our production processes and we are aware of its importance as a primary and essential commodity: we are taking action to minimize its wastage and promote its increasingly responsible use, including through training and awareness-raising actions for employees and collaborators.

Our journey towards sustainable development prompts us **to adopt cutting-edge technologies aimed at monitoring and enhancing efficiency in water resource utilisation**, thereby aiding in safeguarding this increasingly exploited global resource.

The process of improving the responsible management of water resources is ongoing, with the implementation of closed-loop systems in all plants that require significant usage (such as in painting and glass grinding) to eliminate any wastage.

Comprehensive reviews to monitor compliance with the emission limits set by binding regulations in the countries where we operate, alongside the supervision of treatment and purification systems with regular maintenance, are the main actions that enable us to ensure the integrity of the water system, thereby preventing any possible form of contamination, safeguarding biodiversity and protecting ecosystems.

Water resources	Consumption m^3	Water intensity m^3/k€ net revenues
2022	114,694	0.0860
2023	113,839	0.0815
2024	98,205	0.0584

(1) The data cannot be compared with those from previous years as the latter did not take into account the technical-commercial entities monitored starting from 2023.

Note: the areas where Epta entities insist are not subject to water stress.

2.4 Use of resources and circular economy

2.4.1 Management of impacts

Partnering with all elements of the supply chain is fundamental for responsible business management. Therefore, we select and qualify our suppliers, favouring those who consistently adopt a sustainable approach and adhere to both our Code of Ethics and Code of Conduct.

We are aware that in some areas affected by conflicts or at high risk, the extraction, and trade of minerals can lead to serious abuses and negative impacts. Conflict minerals, also widely known as “conflict raw materials” or “conflict resources”, include tin, tantalum, tungsten extracted in those areas (known collectively as 3TG) and gold. They find significant use in electronic devices, including the potential components used in our products.

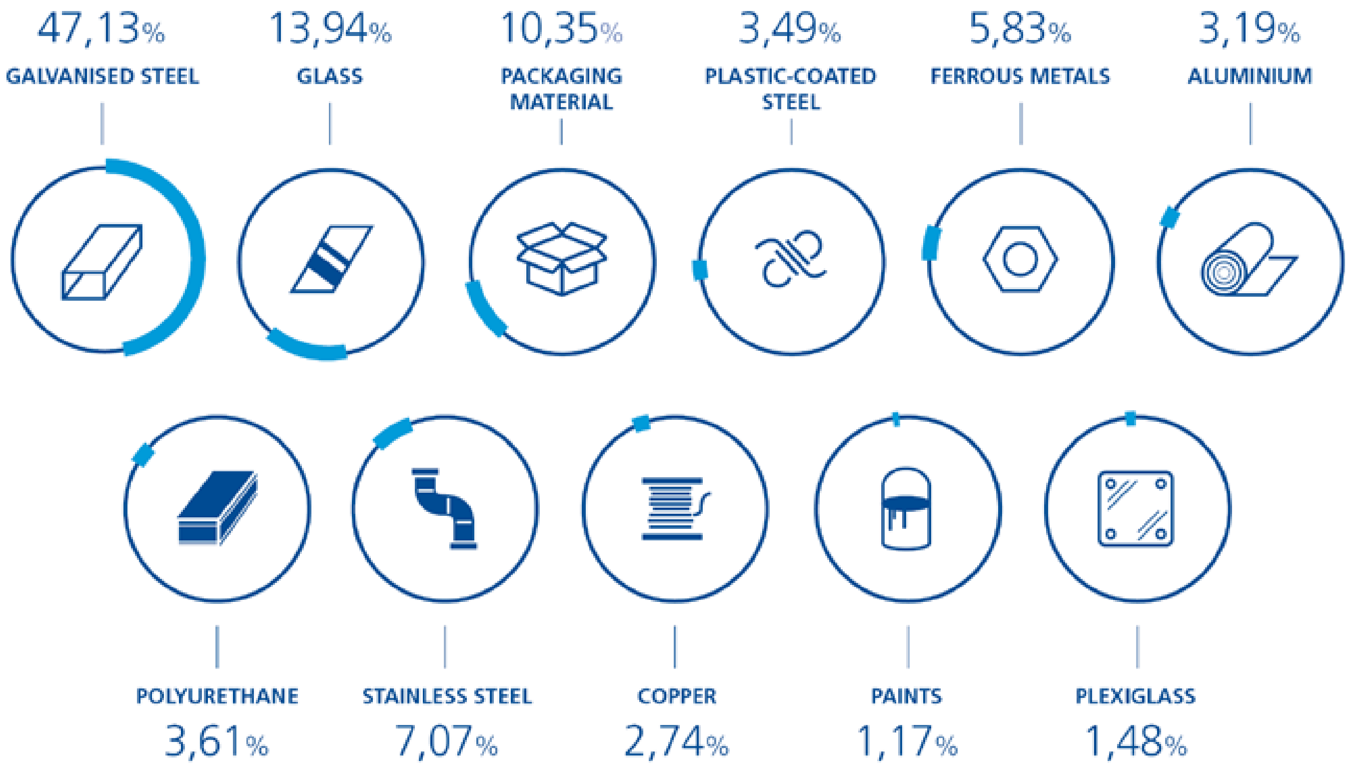
Consequently, in alignment with our Group's Code of Ethics and our commitment to sustainable business practices, we have been and will continue to be **particularly vigilant in safeguarding human rights** by paying special attention to our supply chain, verifying that the necessary components do not contain minerals identified as 3TG.

Materials used

Most of the materials used in our production are made of steel, glass and aluminium, that are recyclable at the end of their life.

We are always looking for **new solutions that enable responsible production**, processes, and consumption that reduce waste of natural resources and consist of sharing, reuse, repair and recycling, as well as products with the longest possible life cycle, with a view to circular economy.

This approach also applies to the search for environmentally friendly packaging with the use of cardboard and wood that can be recovered in the decommissioning phase to be reintroduced into the economic cycle and reused within the production phase, generating value again.



Regulatory

We also support our clients towards the ecological transition by studying and implementing existing regulations, participating in working groups, promoting development that looks towards a more sustainable future, and adopting voluntary schemes that anticipate legislative activity.

Ecodesign Regulation for Sustainable Products (ESPR)

In effect since 18 July 2024, the ESPR Regulation aims to improve the circularity and energy efficiency of products, representing a step forward in the implementation of sustainable business models and practices at all levels, as well as a competitive and resilient market.
ESPR involves the entire value chain, i.e., producers, importers, distributors, retailers, and service providers.
The products must meet requirements for durability, reliability, reusability, repairability, ease of maintenance, absence of substances of concern, energy efficiency, water consumption, resource efficiency, recycled content, potential for regeneration and recyclability of materials, reduced environmental impacts, and minimal anticipated waste generation.
The new Digital Product Passport (DPP) will help consumers and businesses make informed choices when purchasing products, as well as facilitate repairs and recycling, and improve transparency about the environmental impacts of their life cycles.
The requirements for specific product categories will be defined through delegated acts, which are expected to start from 2025.

F-Gas Regulation (EU 2024/573) on fluorinated gases

The new F-Gas Regulation, effective from 11 March 2024, aligns the HVAC&R sectors' framework with the European Green Deal, aiming for carbon neutrality by 2050.
The consumption of hydrofluorocarbons (HFCs), meaning the quantity of HFCs that can be placed on the Union market, must be reduced by 80% by 2030 and reach zero by 2050.
The text introduces important prohibitions for stationary refrigeration equipment using fluorinated gases, based on their GWP, to encourage the use of natural refrigerants, such as the GWP limit of 150 for medium and large-capacity centralised systems and standalone equipment.
The Regulation, for the first time this year, introduces a ban on exporting certain equipment operating with high-GWP F-Gases to non-EU markets and new important limitations on the use of such gases for servicing and maintenance starting in 2032.
The new measures are expected to contribute to the growth of the European industry, a leader in the field of products and systems using natural refrigerants, and stimulate the creation of new green jobs.

Regulation on Packaging and Packaging Waste (PPWR)

The Regulation on Packaging and Packaging Waste (PPWR) aims **to reduce the waste generated by packaging** by focusing on three main objectives:

- reduce the amount of waste through the use of **materials and designs that minimise the packaging** produced;
- incentivise reuse, promoting the adoption of **reusable packaging** and encouraging practices that extend their useful life;
- increase the percentage of recycled packaging by improving the separate collection and processing of recyclable materials.

The goal is to cut down on packaging waste and foster the principles of the circular economy in a sector that traditionally has a high environmental impact.
The measures include recyclability requirements for all packaging placed on the market starting from 2030, mandates on minimum recycled content in plastic packaging, the promotion of reuse for certain types of packaging, and harmonised environmental labelling across Europe.
Except for provisions that allow for different transition periods, the Regulation will be operational 18 months after its entry into force, which is expected at the beginning of 2025.

Priority themes of the new EU institutional cycle

Due to the potential impacts on our industry, the Epta Group closely monitors and follows the evolution of the following legislative packages:

- **CLEAN INDUSTRIAL DEAL**, which aims to support industrial sectors such as energy-intensive industries and to encourage investment in infrastructure and clean technologies;
- **CIRCULAR ECONOMY ACT**, which should help create market demand for secondary raw materials and a single market for waste, particularly in relation to critical raw materials;
- **OMNIBUS PACKAGE (CSRD, CS3D**, Taxonomy), which aims to consolidate and simplify the sustainability regulations that form the pillar of the European Green Deal;

- **WATER RESILIENCE STRATEGY**, the new European strategy for water resilience that will address water efficiency, scarcity, pollution, and water-related risks;
- **BIOECONOMY STRATEGY**, which must guarantee food and nutrition security, manage natural resources sustainably, reduce reliance on non-renewable and unsustainable resources, limit and adapt to climate change, and strengthen European competitiveness.

2.4.2 Metrics

Waste

The application of an environmental management system conforming to the international ISO 14001 standard at our production sites allows us to manage waste rationally and efficiently.
By prioritising prevention, reduction, reuse, and recycling in our operations, we successfully **recycle over 95% of the waste we generate**, thereby contributing to a green circular economy.

Year	Ratio of recycled to total waste produced(1)		
	EPTA	Production sites	Technical/commercial sites
2022	91.64%	91.64%	--
2023	90.76%	91.22%	35.09%
2024	95.23%	96.15%	25.45%

(1) The data cannot be compared with those from previous years as the latter did not take into account the technical-commercial entities monitored starting from 2023.

An outcome fully in harmony with the design principles implemented for the development of new products, guided by the awareness that waste materials are a precious resource whose value needs to be maintained for as long as possible.

Material	Recyclability	%
Electrical components	Yes	8 – 10
Metal	Yes	40 – 50
Plastic	No	10 – 15
Polyurethane	No	8 – 10
Glass	Yes	30 - 35

Improvement plan in line with the Strategic Plan (data related to production sites).

2025	2026	2027	2028
> 95%	> 96%	> 97%	> 97.2%

3. SOCIAL INFORMATION

3. SOCIAL INFORMATION

3.1 Own workforce

3.1.1 Management of impacts

Respect for our people - the '#EptaPeople' - and the quality of a sustainable professional life are key concepts on which Epta bases its short and long-term growth. Our company's vocation is to make the most of human resources experience and interpersonal differences, fostering the building of inclusive cooperation and networks between individuals and proposing valuable professional development paths.

Examples of this include the **hybrid working policy** recommended in line with local regulations, the promotion of an 'Eptiquette' that shares the "good habits" of collaborative work, as well as the willingness to actively contribute to the support of local communities through various voluntary initiatives.

Specifically, in 2024 we launched the **EptaGIVES Corporate Volunteering initiative**, designed both to recognise the dedication of #EptaPeople already engaged in volunteering and to offer an opportunity for those interested to increase their involvement in local communities with Epta's support. Since last year, #EptaPeople globally have had the chance to **allocate 8 hours of work each year to engage in voluntary activities** with Epta's partner associations, or to take part in team-building with non-profit organisations. A variety of individual and group initiatives were organised, resulting in **9,000 volunteer hours in the year 2024**.

Externally, we have renewed our commitment to develop young people in the territories where we operate, with the creation of initiatives aimed at students in high schools and universities to build a stronger bridge between school and business.

Work continued on the **simplification and digitisation of HR processes with the launch of the "Epta4Me" tool**. Specifically, the e-learning on-demand training catalogue was expanded with training modules on Anti-corruption, Epta's Leadership Model, and Gender Diversity, and finally, modules for the annual remuneration review were launched in digital format.

At every level, we promote the Epta Code of Ethics and Leadership Model, which encapsulate the expected values and behaviours of #EptaPeople, with our top management serving as both ambassadors and sponsors. In particular, in 2024 **workshops were organised with company managers and representatives from all EptaPeople to establish our Purpose**: the deep motivation that guides and inspires our everyday work. The Purpose will be communicated during the Global Leadership Summit in April 2025.

At Epta, the work environment is inspired by principles of integrity both internally and externally through daily compliance with local regulations, such as those related to workplace safety and company policies.

Whistleblowing procedures or company climate analysis surveys (e.g. Great Place to Work) are set up to offer different channels of bottom-up feedback to make sure that the voice of every #EptaPeople can always be heard, with a view to continuous improvement.

In 2024, **10 Epta countries obtained Great Place To Work (GPTW) certification** as a result of the second wave of the survey, which involved 19 countries and over 3,700 participants. Action plans were identified following the GPTW results to support continuous improvement and address the attention points highlighted by the EptaPeople.

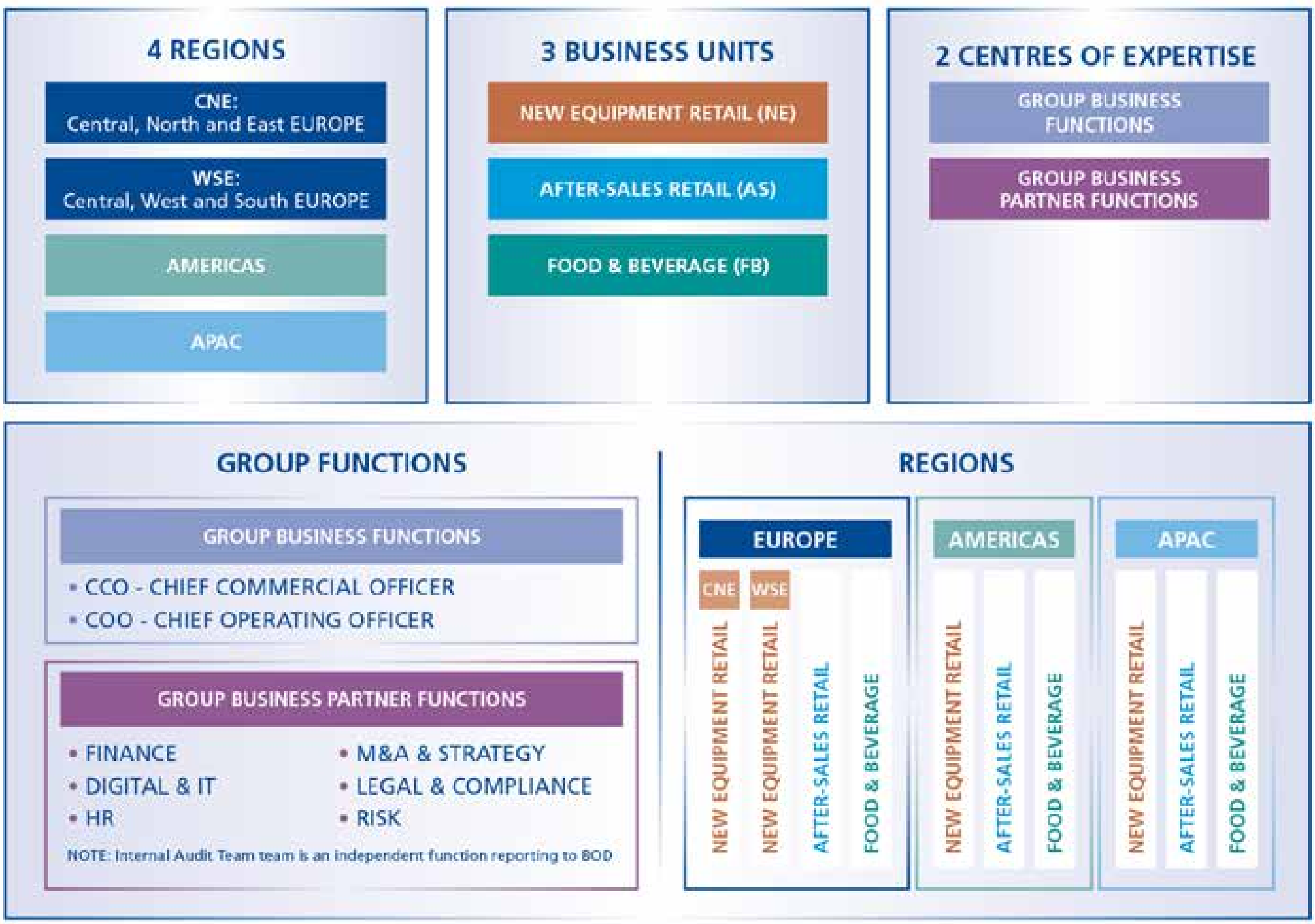
The "**EptaListenUp - Connecting Leaders and #EptaPeople**" meeting series was centred around collecting feedback and opinions from our people. Between April and June 2024, Epta's senior leaders personally engaged with over 1,900 colleagues in a series of internal events designed to share the group's growth strategy while also gathering insights, ideas, and proposals from EptaPeople worldwide. The aim was to strengthen personal and business ties with all the entities of the Epta world.

The sessions of the "**Talking Epta - Global Leadership News**" format, which are quarterly virtual meetings intended to update senior and middle management on the progress of business strategies, significant achievements, and medium-term objectives, continued.

Workforce and labour costs

The Matrix Evolution: Epta Bloom - We Go Matrix

In 2024, Epta undertook an evolutionary process aimed at **transforming the Group's structure into a matrix organisation**, a process which was completed in January 2025.
It is a natural transformation for a company like Epta, which has grown rapidly in recent years and needs to adopt an agile organisational structure that allows it to maintain its leadership position in Europe, exploit opportunities for rapid growth in the Americas and APAC, while also responding effectively to customer needs and attracting and retaining talent.
Epta's matrix structure is based on the collaboration between 4 Regions, 3 Business Units and 2 Centres of Expertise:



Business Units
The Group segments its activities on the basis of reference markets and the product or service offered, thus identifying **three Business Areas or Business Units (BUs)** for each region (Central North Europe, Central West and South Europe, Americas, APAC).

It includes research, development production and marketing of complete commercial refrigeration systems for large and small-scale retail trade.

It includes research, development, production and marketing of refrigerated counters with an incorporated unit (so-called "plug-in") and the provision of after-sales services for operators in the food, hotel and restaurant industries.

It includes the provision of after-sales services such as:
> maintenance and replacement services for commercial refrigeration equipment;
> qualified consulting and training activities;
> activities of energy requalification of systems and products for refrigeration as well as adaptation of the same in order to make them comply with the regulations and technical provisions in force (so-called "retrofit");
> remote surveillance and performance management, with 24/7 remote product performance monitoring to maximize energy efficiency and simplify and streamline maintenance processes;
> decommissioning and recycling services - for large and small retailers.
These services are provided not only with reference to products manufactured by the Group, but also with reference to products manufactured by third parties; therefore, the customers of the After Sales BU are both new entities and companies that have already purchased our products in the past.

Centre of Expertise
A Centre of Expertise (CoE) is a team that focuses on a specific area of expertise. The primary aim of a CoE is to deliver long-term strategy, leadership, disseminate best practices, undertake research, and provide assistance or training in its area of interest. In Epta, the Centres of Expertise are divided into:

- Group Business Function: Group Commercial Organisation and Group Operation Organisation
- Group Business Partner Function: Finance, Digital & ICT, HR, M&A & Strategy, Legal & Compliance, Risk.

Importantly, the Audit function is an independent function and reports directly to the Risk Committee and the company's Board of Directors.

3.1.2 Metrics

Composition, collective bargaining coverage, diversity

Country	2024			2023			2022		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Italy	517	1,425	1,942	546	1,626	2,172	537	1,668	2,205
Germany	183	873	1,056	87	422	509	84	400	484
Other	1,147	3,842	4,989	853	2,986	3,839	677	2,583	3,260
Total employees	**1,847**	**6,140**	**7,987**	**1,486**	**5,034**	**6,520**	**1,298**	**4,651**	**5,949**

Professional role	2024			2023			2022		
	Woman	Man	Tot.	Woman	Man	Tot.	Woman	Man	Tot.
Manager	66	343	409	46	301	347	35	280	315
White collar	1,095	1,848	2,943	828	1,600	2,428	704	1,301	2,005
Blue collar	686	3,949	4,635	612	3,133	3,745	559	3,070	3,629
Total	**1,847**	**6,140**	**7,987**	**1,486**	**5,034**	**6,520**	**1,298**	**4,651**	**5,949**

Type of contract	2024			2023			2022		
	Woman	Man	Tot.	Woman	Man	Tot.	Woman	Man	Tot.
Permanent	1,763	5,835	7,598	1,373	4,607	5,980	1,196	4,337	5,533
Fixed-term	84	305	389	113	427	540	102	314	416
Total	**1,847**	**6,140**	**7,987**	**1,486**	**5,034**	**6,520**	**1,298**	**4,651**	**5,949**
Full time	1,665	5,949	7,614	1,396	4,995	6,391	1,201	4,619	5,820
Part time	182	191	373	90	39	129	97	32	129
Variable hours	0	0	0	0	0	0	0	0	0
Total	**1,847**	**6,140**	**7,987**	**1,486**	**5,034**	**6,520**[12]	**1,298**	**4,651**	**5,949**

2024				
Total employees	New hires	Terminated	Positive turnover rate	Negative turnover rate
7,987	1,661	1,442	21%	18%

[12] Total employees, excluding the contribution of the Joint Venture with the Viessmann Group.

Training

In the awareness that training and development of people are fundamental for working every day in the pursuit of excellence, we propose a comprehensive training and growth programme for all our employees, both at Group and local level.

Throughout 2024, we provided over 125,763 total training hours across all our sites, including production companies and sales offices, thanks to a rich portfolio of both in-person and remote activities, with the aim of increasing the total training hours delivered in the 2022-2025 period by 65%.

Many of these training sessions were developed internally, asking more experienced colleagues to take on the role of trainer, in some cases after obtaining specific certifications from external bodies. Equally important is the training that accompanies the implementation of new tools in the digitisation of various activities, as well as training through committees like Diversity & Inclusion, which facilitate mutual learning by sharing experiences.

The result of sharing knowledge is certainly a greater involvement of participants, which is facilitated and more effective thanks to the added value that only internal trainers can transfer. An example of this is the Women's Mentorship Programme initiated at the group level in 2024, building on a pilot project conducted in Italy in 2023, where some colleagues with responsibilities and solid professional experience were paired with young colleagues with the potential to grow into managerial roles.

In 2024, the “EPTAcademy” programme - a talent development initiative defined and delivered in collaboration with SDA Bocconi - took place with participants from 21 different countries around the world, representing 18 different corporate functions and generations.

The program consists of two weeks of residential training, the first one dedicated to modern Management and Leadership principles and the second one dedicated to getting to know the company from a financial, commercial and Operations perspective. Within EPTAcademy, experiential initiatives related to the Leadership Model and aimed at promoting corporate identity, networking and ESG culture are organised. The positive feedback received from participants confirmed the value of EPTAcademy as an important development and networking opportunity.

From the 2023 edition until the end of 2024, 160 leaders and managers were involved in the “EPTAcademy Alumni”, a refresher event that reached its 20th session by the end of 2024. An event led by university professors or industry experts gathering all the #EptaPeople who have attended EPTAcademy in past years. A sharing moment structured in refresher sessions on macroeconomic topics, entrepreneurship and innovative leadership and management models, with a view to continuous learning.

In 2024, a new training course was introduced for #EptaPeople joining the Group through acquisition or joint venture paths. Specifically, the onboarding available on the Epta4Me platform facilitates integration in the initial months of work, fostering an understanding of Epta’s culture, policies, and core business processes, while also providing vital support in change management and the promotion of D&I topics. Furthermore, both acquired companies and those integrating new colleagues are provided with a corporate culture questionnaire that enables them to choose targeted actions to invest in promoting collaboration and fostering a calm and supportive working environment with the new colleagues.

Training hours	2024			2023			2022		
	Woman	**Man**	**Tot.**	Woman	Man	Tot.	Woman	Man	Tot.
Manager	2,571	9,787	12,357	2,393	9,566	11,959	2,064	5,218	7,282
White collar	26,789	43,064	69,852	25,016	49,948	74,964	9,325	22,968	32,293
Blue collar	7,544	36,011	43,554	12,687	68,680	81,367	11,407	35,626	47,033
Total	**36,904**	**88,862**	**125,763**	**40,096**	**128,194**	**168,290**	**22,796**	**63,812**	**86,608**

CONSOLIDATED PROJECTS FOR THE NEW GENERATIONS

The inspiration to innovate originates from knowledge: that is why we continue to support projects and initiatives aimed at training and developing young girls and boys, enhancing their technical skills and supporting them to enter the labour market.

ITS Salesians in Sesto San Giovanni (Milan) and Salesian Institute Manfredini - Este (Padua)

We have supported the establishment of a refrigeration school at the Salesian Institute Manfredini in Este (Padua) and at the ITS Salesians in Sesto San Giovanni (Milan), assisting in setting up and maintaining an Industry 4.0 mechatronic refrigeration laboratory to educate future refrigeration technicians.

Training Centre Epta Deutschland - Mannheim (Germany)

The training centre in Mannheim serves as a hub for sharing Epta's know-how, with the aim of providing young refrigeration technicians and professionals with the tools to grow professionally, thanks to a small-scale store fully equipped with CO_2 refrigeration counters. The training offer includes a rich programme of practical and technical courses.

Training Centre Epta APAC - Manila (Philippines)

In 2024, we inaugurated a new specialised CO_2 Training Centre located in the heart of Manila, marking the beginning of an era of natural refrigeration within the Asia Pacific region. The centre offers a comprehensive training programme that combines theoretical classroom lessons with practical field simulations, featuring the latest Epta-branded solutions such as modular transcritical CO2 refrigeration plants and FTE 2.0, ETE, and XTE refrigeration systems.

Cantau EptaSchool 4.0 - Anglet (France)

Our French office and the Lycée polyvalent Cantau, together with SEPCO Association of installers-refrigeration technicians of Bayonne and DANFOSS, have contributed to the creation of the Cantau EptaSchool 4.0, which aims to become a reference point for the commercial and industrial refrigeration supply chain throughout France.

DAAS Academy: the future begins today (Romania)

Born from the partnership between DAAS - an Epta Group company based in Romania - the Technological High School “Elie Radu” in Ploiești and the territorial administrative unit, the initiative aims to train new refrigeration technicians. The programme kicked off in 2019, and from July 2022, the country's first “Frigotechnists” joined the DAAS team to pursue a career in refrigeration.

PROJECTS UNDER DEVELOPMENT

Throughout the year, new training initiatives have also been defined and will be launched in 2025, particularly focusing on themes such as promoting generational diversity and the development of technical staff.

Diversity & Inclusion Journey

In line with our strategy to develop and disseminate the ESG culture within the company in 2023, was created a D&I Committee, consisting of 30 volunteers who change each year and represent #EptaPeople from all geographical areas of the Group.

Thanks to the joint work of the D&I Committee, Epta's first D&I manifesto was created and distributed throughout the group, demonstrating Epta's commitment to these issues. Furthermore, a training course dedicated to the theme of Multiculturalism was implemented and disseminated in 2023, and in 2024 a specific training course on the value of gender differences will be held.

In 2025, the D&I Committee will focus on the topic of generational difference by producing and distributing ad hoc training, available online or in-person. Among the various activities, the Committee worked on a **policy on inclusive language** to be distributed in 2025.

Moreover, the new **International Mobility Policy** was introduced, governing mobility between the Group's different locations in both the short term (12 months) and long term (12-36 months), with the objective of encouraging the exchange of experiences and knowledge and enhancing collaboration across various geographic regions.

Health and safety

The management of aspects related to safety and hygiene in the workplace is another of the cornerstones of our corporate strategies: the objective is to guarantee workplaces that ensure the safety of all the people who work for Epta.
Starting from the risk assessment related to production activities, **we plan risk reduction and mitigation activities with a problem-solving approach**, systematically analysing both incidents and near-misses.
The oversight of hygiene and safety matters necessitates the engagement of staff and their representatives: therefore, we maintain active round tables with workers' representatives to both gather their feedback and communicate our strategic plans, which will lead to the exploration of new technologies and methodologies with investments in diverse solutions, including the introduction of automation to alleviate the physical strain on operatives, thereby enhancing the working environment ergonomically.
A secure work environment requires thorough compliance with legal requirements: furthermore, implementing the ISO 45001 international standard, which is being progressively applied across all our production sites, and fostering a strong safety culture, articulated by continuously raising awareness among our employees - especially new hires - also through training programmes on relevant topics, are activities aligned with both current regulations and the strategic plan.

Year	Frequency index(1)			Deaths
	No. of accidents	Hours worked	IF	
2022	78	8,397,586	9.29	0
2023	127	10,740,334	11.82	0
2024	124	11,088,798	11.18	0

(1) The indices are not comparable with each other due to the progressive expansion of the database. Since 2023, the initial technical and commercial sites have been established (action continued into 2024), and regarding the production sites, from 2024, indices for the Finnish production site have been collected.

The Company has crafted a medium-term strategic plan, identifying concrete quantitative targets to be achieved, which will then, at a local level, be transformed into enhancement opportunities as a precursor to the continuous implementation of the Safety Management System (see table chapter 3.3.1), through the implementation of the most effective actions to prevent, reduce, and, where possible, eliminate potential risks.

	2025	2026	2027	2028
Production Site Frequency Index	≤ 8.0	≤ 7.6	≤ 7.3	≤ 7.1

Corporate welfare and organisational well-being

For several years, we have been engaged in crafting corporate welfare plans and, more broadly, initiatives aimed at enhancing the corporate environment, improving employees' quality of life, and boosting company performance, with the conviction that these efforts can also foster productivity.
Using the available welfare tools means embarking on a path that sets itself the ambitious goal of creating workplaces centered on people and their well-being. In this sense, we believe that, if linked to a project of a territorial nature, corporate welfare can become a relevant tool for the sustainable development of local communities.
Ultimately, we foster flexible working hours and hybrid work policies to promote a sustainable balance between professional and personal life.

Human rights

In the middle of 2023, the company activated and promoted a Whistleblowing channel to collect reports of activities and/or behaviour contrary to the company's Code of Ethics or in violation of legal standards. Every year in July, the company conducts promotional activities for this reporting channel.
In 2024, cases concerning human resources management in companies were submitted. The cases were closed after investigations carried out either locally or, in some cases, with the support of a Senior HR at Epta who has developed this expertise. No major cases or sanctions were reported regarding harassment, discrimination, or violation of human rights.

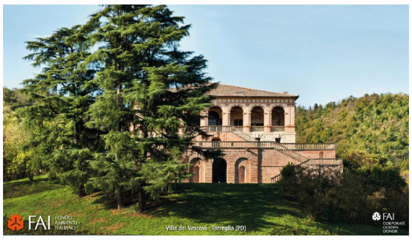
3.2 Interested communities

3.2.1 Relations with public institutions and the community

Our everyday commitment to creating shared value is evident through our support for projects that strengthen our bond with the local communities in which we operate, all in line with our values of safeguarding the environment, preserving cultural heritage, and prioritising community well-being.

CULTURAL AND ENVIRONMENTAL INITIATIVES AND COLLABORATIONS

Italian Environment Fund



Since 2015, we have been committed as a Corporate Golden Donor of FAI - Fondo Ambiente Italiano - in safeguarding the national heritage. An initiative that finds its highest expression in the artistic and architectural recovery of the Abbey of San Fruttuoso in Camogli (GE) and that now continues with the support plan for Villa dei Vescovi, a historic building inspired by the themes of classicism located in Torreglia (PD).

Rise Against Hunger Italy

The Group also engages in projects to support the most vulnerable communities, such as that of Rise Against Hunger Italy, part of a global network that fights to eradicate poverty through empowerment of communities, nurturing their aspirations and responding to grave humanitarian crises. Thanks to our intervention, we have contributed to the production and donation of food kits for refugees who have fled to Poland and Romania in response to the current humanitarian emergency in Ukraine.

The “EptaPeople Forest” of Treedom

As part of the partnership with the Treedom platform, we have supported a project that involves the planting and nurturing, from 2021 to 2026, of 3,000 fruit trees worldwide. From 2021 we have donated one of these trees to each new employee and to employees that are nearing retirement, who will be able to follow its growth thanks to geo-localisation and online monitoring managed by Treedom. An initiative with a strong social value for local communities, which strengthens ours carbon neutrality, restores biodiversity and contributes to the fight against climate change, by virtue of the absorption of hundreds of thousands of kg of CO_2.

3.3 Consumers and end users

3.3.1 Management of impacts and metrics

THE PRODUCTS

Epta specialises in the production and marketing of complete systems for commercial refrigeration, ensuring a variety of solutions for the preservation and display of fresh and frozen products.

All of our solutions are characterised by innovative and functional design as well as energy efficiency and sustainability, guaranteed by the use of natural refrigerants: characteristics that are the result of both our long experience in the commercial refrigeration market and the intensive research and development conducted over the years.
The Group's products can be grouped into the following 2 main categories.

REFRIGERATED COUNTERS

- Horizontal refrigerated display cases and cabinets (assisted and unassisted service) for fresh, bulk and packaged foods.
- Positive temperature vertical and semi-vertical refrigerated counters for packaged fresh products.
- Vertical and horizontal negative temperature refrigerated counters for the storage of frozen foods.
- Small and medium sized embedded group plug-in refrigeration counters for Retail Market operators.
- Small and medium sized plug-in refrigerated counters for operators in the Food & Beverage Market as well as the hotel and restaurant industry.

REFRIGERATION UNITS

The category includes small, medium and large power refrigeration units, functional to meet the refrigeration needs of retail market operators of any size, from small stores to large hypermarkets.
The central refrigeration unit and the piping system connected to it are responsible for distributing the refrigerant fluid to each counter or cold room in the point of sale, ensuring that the correct storage temperature is maintained for the products inside.

The centrality of listening to the customer

Customer satisfaction is an element that reflects on the sustainability of the business: it is not only necessary to understand their needs but also important to maintain a lasting and proactive relationship over time.
To this end, we are working to **implement a shared system and a structured way to collect the so-called voice of the customer**, i.e. the customer experience, so as to further improve the service offered. On some institutional occasions, such as the largest international trade fairs, we have already implemented customer survey systems that have returned wide-ranging feedback, useful for the continuous improvement of the brand and our range of products and services, while various initiatives for monitoring post-installation customer satisfaction are active locally.

The CRM system

The implementation of the Customer Relationship Management system aimed at improving the management of customer information and business opportunities in the Group's various business areas was completed for the EMEA area in 2024. The implementation of the service activity management module (**Field Service Management**), completed for the EMEA area in 2024, will allow for both **more efficient handling of service calls and more effective control of any technical issues**, initiating continuous improvement of the customer satisfaction index throughout the entire product life cycle.

Quality, safety and conformity of Epta products

Sustainable innovation has always been the trademark of Epta products and services: this choice supports the commitment to constantly improve energy performance, reduce environmental impacts, increase safety, improve quality and user experience, including through research and ergonomic studies, for both customers and end users.
A goal that is not only aimed at satisfying customers' needs but also contributes to the continuity of Epta's business and that of the entire chain of our suppliers and subcontractors.
To guarantee the highest standards of quality, we rely on the proficiency of our team and the application of specific methodologies for verification, identification, management, and monitoring of our own production processes and external procurement, along with an end-to-end quality management system aimed at pursuing continuous improvement.
At the end of the production process, all our finished products are subjected to a detailed testing activity, aimed at verifying the correspondence between the configuration of the production order and the product itself, as well as verifying the electrical safety, functionality, network connection for the products requiring it, leakage, aesthetics and, in the cases provided for, the thermodynamic performance.
Following the internal New Product Development standard, the R&D department regularly conducts specific validation tests to assess the quality of the project and the production process, and/or to perform checks in response to issues reported by customers during use.
These tests are aimed at verifying the reliability of technical solutions adopted under controlled climate conditions (climatic rooms) on new products, on products under development and on randomly selected products from those already in the catalogue.
Upon completion, Field Tests are conducted at customer locations to assess the actual impact of daily use, and Witness Tests are performed to verify the products' performance and energy consumption.
Attention to quality is also reflected in the audits carried out on suppliers, to assess their ability to meet the quality criteria established by the Company, with the ultimate goal of meeting customer expectations.
The measurement of the effectiveness and improvement of results is regularly tracked with KPIs that consider not only the costs linked to non-quality (attributable not only to the costs related to defects detected on products installed at points of sale but also to those generated during production or attributable to component supply problems) but also the collection of feedback from our customers.

	2024	2023	2022
Cost ratio of non-quality / turnover	0.59%	0.74%	1.05%
Reports received	12,137	12,292	13,198

The integrated approach to the development of management systems, with internal process audits and “cross-site” audits, provides the opportunity to enhance the skills of our employees and is a proactive approach to solving problems, in line with our Integrated Systems Management Policy.

Site	ISO 9001	ISO 14001	ISO 45001	ISO 50001	PED [1]
Main office					
Epta S.p.A. Milan	•	•	•	•	
Production sites					
Epta Argentina	•	•			
Epta France	•	•	•	•	
Epta Istanbul	•	•	•		
Epta Qingdao	•	•			
Epta Refrigeration Systems OY	•	•	•		
Epta S.p.A. - Casale	•	•	•	•	
Epta S.p.A. - Limana	•	•	•	•	
Epta S.p.A. Pomezia[2]	•	•	•		•
Epta S.p.A. Solesino	•	•	•	•	
Epta UK	•	•	•		
IARP Thailand	•	•	•		
Commercial Offices					
DASS	•	•	•		
Epta Asia Pacific	•				
Epta Deutschland	•				
Epta Iberia	•				
Epta International	•				
Knudsen Koling	•				•
Kysor Warren Mexico	•				

Note (1): The PED certification applies only to sites that manufacture refrigeration units/groups as pressure vessels.

Note (2): The business division at the Pomezia main office, focused on the production of cold rooms, was sold in May 2024.

How we ensure compliance with local market regulations:

- Ø combining in-house development capabilities and verification by certified third-party bodies, in order to integrate in-depth technical knowledge and a high degree of control.
- Ø With the commitment to proactively engage with organisations and sector committees for the development of technical standards at national (UNI, AFNOR, BSI, DIN, etc.), regional (CEN, CENELEC), and global (ISO, IEC) levels.
- Ø Responsibly interpreting the participation in the EU “consultation forums” in the context of the definition of new laws.

How we ensure quality and technical compliance:

- Ø By obtaining numerous certifications, consistently updated over time - including the IECEE CB Scheme certificates, the PED notified body certificates, and the Eurovent Certita certificates.
- Ø Thanks to the mapping processes of legal regulations and technical standards (Epta standard no. IDIC007).
- Ø Through procedures aimed at applying product compliance (Epta standard no. IDQM002 and IDQM004), developed and integrated in-house.
- Ø These protocols involve the creation of technical dossiers, certification with accredited bodies, declarations of performance or conformity, product manuals, registration numbers and energy labelling.

Research and development activities

Product, system and service innovation

Innovation is a core value that permeates the entire company and is best reflected in product development and process management, focusing on environmental impact and the whole life cycle of each product.
We are a fully integrated partner. This means supporting our customers at every stage of the life of the products made for them: from customised design to installation, to all those after-sales services that are preparatory to maintaining the high operational standards that characterize Epta's production (telemonitoring, predictive maintenance) and to maximising their useful life.
Furthermore, it means providing digital solutions that enable access to valuable information for both effective management and optimising the shopping experience of the end consumer.
Guided by this philosophy, the **Group's R&D** department designs products and services capable of intercepting the continuous evolution in Food Retail, Food & Beverage, and Ho.Re.Ca., utilising a team of **270 people across 10 locations, in collaboration with an Innovation Centre dedicated to scouting future technologies**.
Our commitment to environmental and sustainability issues is demonstrated by collaborating with the European Commission, through manufacturers' associations such as ANIMA (Confindustria), Orgalime, and Eurovent, in the process of creating laws and regulations to which we contribute as stakeholders with feedback and proposals.
Moreover, we directly participate in several international standardisation committees, such as the European Organisation for Standardization (CEN, CENELEC) and the International Organisation for Standardization (ISO, IEC), to contribute to the development of technical standards and regulations aimed at improving product and service quality, safety, energy efficiency, and environmental sustainability.
We are also actively involved in the definition of US regulations, ensuring our products comply with safety (UL), hygiene (NSF), and energy efficiency (DOE) standards.
By following the method currently in use internationally, standardised and regulated by specific reference standards, and thanks to the use of software and databases recognised by the relevant bodies, we apply the LCA (Life Cycle Assessment) analysis: it is in fact possible to quantify in advance the impact of a given product on the environment and human health, thus choosing the best combination in terms of necessity and efficiency.

Investments in processes and products

During 2024, the Group continued to invest in new processes and new products in order to provide innovative technologies in compliance with new regulations, health and environmental safety.

CONSOLIDATED INVESTMENTS

Euro 27,7 million > mainly Industry + R&D + ICT

In the industrial sector, investments were directed towards the maintenance and construction of production lines at the sites in Limana (I), Casale Monferrato (I), Solesino (I), Hendaye (F), Bradford (UK), Kysor Warren (USA) and Cha-An (Thai).

Investments in photovoltaics involved the Limana (I) plant

The investments for compliance with environmental and safety standards involved the plants in Casale Monferrato (I) and Solesino (I).

Investments for building extensions/construction involved the sites of Corlu (Turkey) and Queretaro (Mexico).

3.3.2 Participation in fairs and events

Overall, we took part in 30 events between trade fairs and industry conferences, in some cases participating as exhibitors for the first time.

The year opened with some important fairs dedicated to the Food & Beverage world, where our brand Iarp was the protagonist. In January, we participated in Sigep, the International Exhibition of Ice Cream, Pastry, Artisanal Bakery, and Coffee in Rimini, Italy, with a stand created by EptaConcept, showcasing the latest innovations from the Iarp, Eurocryor, and Misa brands.
Subsequently, the events continued in Asia, starting in Bangkok with Thaifex Horec, the inaugural edition dedicated to Ho.Re.Ca. and F&B professionals, and in Barcelona with Hostelco, an event focused on Spain's F&B sector.
In May, we took part in Venditalia, Europe's leading vending fair, relaunching the Iarp Coldistrict range thanks to a new communication campaign.
In 2024, we took part for the first time as exhibitors at the National Convenience Show in Birmingham, the premier event dedicated to the world of convenience stores in the United Kingdom.
The second part of the year was instead dedicated to specific events for the promotion of technical refrigeration: At Chillventa (Nuremberg, 8-10 October) and SIFA (Lyon, 19-21 November), we presented our complete and innovative range of solutions based on natural refrigerants such as propane R290 and CO_2, promoting our EptaTechnica and EptaService brands.

At the same time, we confirmed our participation in the main technical conferences on the macro topics of commercial refrigeration.
In April, we took part in Perifem Day, an event organised by the French Association of Technical Retail Manufacturers that targets suppliers and key players in the large retail sector, with the goal of fostering a more responsible trade ecosystem. Within this context, we presented our approach oriented towards Sustainable Innovation, using UNIT and XTE as tangible examples, solutions that represent the new frontier in commercial refrigeration.
As the Gold Sponsor at ATMO America Summit in Washington DC on 10-11 June, we shared the latest technological innovations from Epta and Kysor Warren and discussed the most recent trends, starting with sustainable refrigeration and delving into the challenges, benefits, and perspectives in designing CO2 and propane systems in North America.

3.3.3 Privacy

The protection of personal data is of fundamental importance to Epta, also due to the initiated digital transformation process.

In line with our Code of Ethics and in accordance with applicable laws and regulations, notably Regulation (EU) 2016/679 (General Data Protection Regulation - GDPR), we adopt specific processes and technical and organisational measures for the protection of personal data of employees, collaborators, customers, suppliers, and, generally, individuals with whom we interact.

Therefore, the necessary protective measures are adopted to comply with GDPR standards, such as establishing an internal regulation on personal data protection and processing, maintaining a register of personal data processing activities, providing specific information about the processing of personal data of the individuals with whom we interact, and reviewing and adjusting certain business processes and activities that involve the processing of personal data.

3.3.4 Information security

Digital transformation also means taking responsibility for ensuring the security of data and systems against cyber attacks and service interruptions, to protect both all internal and external stakeholders and the reputational dimension of the company.

Our commitment in practice

In this regard, we have implemented the necessary technical and organisational safeguards, which include the protection of assets, corporate identity, and both the external and internal company perimeter.

Furthermore, we have initiated ongoing Awareness & Risk Management initiatives for employees, including training courses, phishing simulation exercises, the publication of procedures, strengthening the corporate organisation, and the protection of our Communication and Collaboration services.

Furthermore, additional solutions are being implemented to enhance our ability to detect and respond to industrial security incidents, which are increasingly on the rise globally, and to ensure the continuity of operations.

We adopt Cloud Computing and the related transformation of business services to enhance their security, scalability, geographic redundancy, and availability with the aim of ensuring an adequate level of security in the digitisation of processes and the industrialisation of products.

Finally, identity protection measures have been implemented, covering both privileged and operational roles, through Privileged Access Management (PAM), extended protection of factory networks, and the simplification of Data Centres.

4. INFORMATION ON GOVERNANCE

4.1 Conduct of the company

4.2 Management of relations with suppliers

4.3 Anti-corruption

4. INFORMATION ON GOVERNANCE

4.1 Conduct of the company

CODE OF ETHICS

Since 2008 Epta has adopted a Code of Ethics in order to identify principles and values on which to base behaviour, working methods and the management of the Group's relations, both internally and with third parties.

On 24 November 2022, the Board of Directors approved an updated version of the Code of Ethics which, while confirming the principles on which the Group's actions have historically been based, has been simplified and rationalised in its structure, updated through the inclusion of some new contents in line with evolving business practices and market trends, and completely renewed in its layout.

The Code of Ethics, therefore, ethically directs the Group's actions towards cooperation and trust with its internal and external Stakeholders, in the firm belief that a good reputation and corporate credibility favour shareholders' investments, relations with local institutions, customer loyalty, people development and suppliers' fairness and reliability.

In order to further strengthen its employees' knowledge of the Code of Ethics and ensure that they conform their conduct, within and/or for the Group, to the principles and rules dictated by the Code, at the beginning of the financial year 2023, an internal communication campaign was launched to promote the Code of Ethics and a compulsory training programme, both through e-learning and in-person, which covered the entire Group population. Furthermore, every year, a specific e-learning campaign is launched, targeting all employees with a company email, which, after presenting the core tenets of the Code of Ethics, requires participants to confirm their commitment to adhere to and enact the Code's principles and rules in their work activities.

Information about the Code of Ethics is provided during the recruitment (on-boarding) process for new employees, with a request for adherence to the principles and rules contained therein

Conflicts of Interest - Related Party Transactions

In the financial year 2022, a new version of the Group Policy on Conflicts of Interest was approved, which aims to explain what a conflict of interest is in the company and describe the relevant principles and guidelines for the prevention and management of conflicts of interest arising in Epta, in order to protect the company and employees against the consequences of such situations.

The Board of Directors, on 20 June 2022, also approved the entry into force of a Procedure for Transactions with Related Parties in line with the legal and regulatory requirements applicable to listed companies, providing for its application to the maximum extent possible in view of the company's status as an unlisted company.

In this regard, the functions that the applicable regulations assign to a committee for related party transactions have been assigned:

(i) in respect of related party transactions involving the allocation or increase of remuneration and economic benefits to directors and key management personnel, to the Remuneration and Appointments Committee;

(ii) in respect of all other related party transactions, to the Control and Risk Committee.

Whistleblowing mechanisms

In the financial year 2023, Epta launched a whistleblowing system at the Group level, providing a confidential and secure channel for whistleblowers, including employees, customers, suppliers, and all internal and external stakeholders. This allows them to report, even anonymously if they prefer, any potential violations of the Code of Ethics, Group policies, directives and procedures, applicable laws and regulations, and, specifically for Epta S.p.A., the provisions of the Legislative Decree 231/2001 and the Organisation, Management and Control Model.

This is with the aim of complying with the EU Directive 2019/1937 on the protection of whistleblowers as well as extending the same system to all Epta Group companies, ensuring a homogenous and standardised approach for the benefit of the entire Group.

The Epta Group is committed to fully protecting whistleblowers who report in good faith and refrains from intimidation, discrimination, and retaliation (such as dismissal, change of duties, non-renewal, postponement or transformation of fixed-term employment contracts, as well as any other intimidating, discriminatory, and retaliatory circumstances specified by local implementation laws) towards the whistleblower for facts and other circumstantial events provided in good faith and within the whistleblower's direct knowledge through the reporting system.

The procedures for making any reports of irregularities, as well as the process for handling such reports, have been regulated in a specific Group procedure, published on the Company's website.

The report is received by the Internal Audit Manager, who is responsible for carrying out the necessary investigations and assessments. Upon completion of these investigations and evaluations, the final decision on the report is the responsibility of the Whistleblowing Committee, which includes the Group Chief Human Resources Officer, the Group General Counsel, the Internal Audit Manager, and members of the Supervisory Board of Epta S.p.A.

If the report concerns the Internal Audit Manager, the platform redirects the report to the other Committee members, excluding the Internal Audit Manager from any type of communication and information about the case. Should the report relate to one or more of the remaining Committee members (apart from the Internal Audit Manager), the members concerned will be excluded from any type of communication and information regarding the case.

In accordance with the procedure, the Internal Audit Manager, every six months, provides a summary report on the reports received, the outcomes, and the decisions, to (a) the Control and Risk Committee, the Board of Statutory Auditors, and the Board of Directors of Epta S.p.A., as well as (b) the administrative body of the Epta company involved.

At the time of implementation, the procedure for making reports was communicated to all employees of the Epta Group via an internal communication campaign, which is repeated every year. Voluntary training in e-learning mode was made available. Finally, the invitation to provide a report, along with references to the Group Reporting System and its Procedure, is also commonly included within the company policies and procedures issued during certain training courses (for example, in the anti-corruption field).

4.2 Management of relations with suppliers

At a global level, we rely on a base of approximately 2,400 active suppliers who develop a purchase volume equal to approximately 44.18% of the Group's turnover.

The network relies on technical/commercial partnerships consolidated over time with the major industrial groups that are world leaders in the refrigeration business. The ten top players in the Epta purchasing network (raw material/components) are worth 13.7% of the total purchasing turnover in 2024.

The purchasing department provides a substantially centralised approach to sourcing, contracting and purchasing activities that, through the structure of "Category managers", manages strategic commodities globally for the Group. Local Purchasing/Procurement functions remain focused on procurement activities.

Due to market uncertainty and disruptions in the global supply chain, we are implementing risk minimisation criteria for both our global and local sourcing strategies:

> the diversification of supply sources by removing the single-source condition for critical suppliers and expanding the supplier base according to geographic diversification criteria within the overall risk management approach (Procurement; ESG; Financial);

> governance over strategic commodity management processes: optimisation of the organisational model for the progressive centralisation of sourcing and purchasing (first pillar of the 2025-2028 strategy).

As of January 2025, the progressive centralisation process has materialised through the implementation of the new *Purchasing* organisation, which has adopted a CENTRE-LED model. This model entails the formation of a Centre of Excellence (CoE) for Strategic Sourcing, with worldwide operational responsibilities and functional linkage through the Central Purchasing Directorate, in conjunction with local procurement structures.

The second pillar of the supply risk minimisation strategy is represented by the digitalisation programme for P2O (Procurement to Order) and Supplier Relationship Management processes, which was completed in the EMEA region in Italy, France, and Germany (2023); Turkey and the UK (2024); it will be extended in NAM in the second half of 2025 and in LATAM/APAC in 2026. The digitisation path significantly enhances the governance quality of business processes, as it ensures compliance with corporate GOA/POA and provides digital traceability for all approval chains related to order management and supply contracts. The system also guarantees the possibility to manage spending and risk management activities related to the global supply chain in a structured way.

In accordance with the Group's ESG policy, the Procurement department in 2023 initiated a Sustainable Procurement project, the third pillar of the 2025-2028 Purchasing strategy. This project focuses on the Due Diligence of our Supply Chain in terms of compliance with ESG requirements as set by international standards and local legislation, integrating:

> services for the continuous monitoring of improvement plans together with key suppliers;

> digital and AI tools to identify and mitigate supply risks related to ESG requirements.

4.3 Anti-corruption

In line with its Code of Ethics, the Epta Group is aware of its responsibility to fight corruption as it affects its values, culture, profitability and sustainability, its shareholders and stakeholders and is one of the greatest obstacles to social welfare, competitiveness and sustainable development.

Topics relating to corporate ethics, compliance with current regulations and anti-corruption are monitored through the application of the principles of the Group's Code of Ethics as well as, limited to Epta S.p.A., through the adoption of the organisational, management and control model pursuant to Legislative Decree No. 231/01, which includes rules for conduct and control activities that must be respected in the performance of business activities, in order to prevent the commission of offences, among others, related to corruption.

On 20 December 2023, the Board of Directors of Epta S.p.A. also approved a new Group Policy focused on anti-corruption, aiming to strengthen the instruments for combating corruption both internally and externally, and to oversee and mitigate the risk of corrupt acts within the company organisation and in relations with third parties, consistent with the ethical standards outlined in the Code of Ethics.

The Policy identifies 7 areas most exposed to corruption risks, namely: relationships with business partners, relationships with customers and distributors, relationships with public administration, acquisition operations, gifts and hospitality, sponsorships and donations, and human resources management, establishing rules and behavioural principles regarding each area.

Potential violations of this policy, as well as the applicable anti-corruption legislation, can be reported through the whistleblowing system implemented at group level (see Paragraph “Whistleblowing mechanisms”).

In order to further strengthen the knowledge of the Group's Anti-Corruption Policy among its employees and ensure that they conform their respective behaviours, within and/or for the Group, to the relevant principles and rules, an internal communication campaign was promoted during the 2024 financial year, as well as a mandatory training program via e-learning aimed at managers, executives, and employees of the Group.

The training was not extended to the administrative and control bodies as the Group Policy on anti-corruption was approved directly by the Board of Directors.

The Group Policy on anti-corruption is also available on the Company website.

During the 2024 financial year, no case of active or passive corruption was identified.

	Managers & White Collar	Blue Collar	% completion
Total training recipients	3,352	0	92%
Total trained personnel	3,072	0	

CONSOLIDATED FINANCIAL STATEMENTS OF THE EPTA GROUP

5. CONSOLIDATED FINANCIAL STATEMENTS OF THE EPTA GROUP

5. Consolidated Financial Statements

5.1 Report on Operations

5.1.1 Communication to shareholders by the Board of Directors

The consolidated financial statements as at 31 December 2024 have been prepared in accordance with the *International Financial Reporting Standards* (hereinafter also IFRS) and the International Accounting Standards (hereinafter also IAS) issued *by the International Accounting Standards Board* (IASB), and approved by the European Union and the related interpretations.
Below is a summary of the main Income Statement figures compared with the previous year:

(Euro thousands)	31.12.2024	31.12.2023	Change
Revenues from sales and services	1,643,387	1,396,437	246,950
Other revenues and income	38,762	35,734	3,028
Total revenues	**1,682,149**	**1,432,171**	**249,978**
Total current operating costs	(1,591,581)	(1,332,972)	(258,610)
Operating margin	**90,568**	**99,200**	**(8,632)**
Net financial expenses	(16,427)	(16,936)	509
Taxes	(23,895)	(25,936)	2,041
Net result	**50,245**	**56,328**	**(6,082)**
Minorities' result	**(1,582)**	**2,998**	**(4,580)**
Result attributable to the Group	**51,827**	**53,330**	**(1,503)**
Total investments	27,725	33,934	(6,209)
Amortisation/depreciation	(53,650)	(41,153)	(12,497)

5.1.2 Comment on the general economic scenario

In 2024, despite regional divergences, the global economy as a whole showed stable growth of around 2.7%, a level that exceeded initial expectations, alongside a gradual slowdown in inflation, which fell to below 3% in the United States and was close to 2% in the Euro area.
Growth in the United States remains strong at 2.8%, while in the Euro area a near-stagnation phase continues at 0.8%, with difficulties in the manufacturing sector, a situation worsened by political uncertainties in various countries.
Even for 2025, low growth is expected in Europe and stronger growth is anticipated in the United States, with the continuation of the slowing down of inflation.
Central banks, as expected, have embarked on a path of gradually lowering interest rates. Credit spreads have generally narrowed. Overall, financing conditions have improved.
In general, stock indices grew on average by +15%; in particular in the United States, well over 20%.
In the Euro/Dollar exchange rate trend, although the year's average remained at approximately 1.08, similar to the previous year, there was a discernible strengthening of the dollar in the closing months, with the exchange rate falling to below 1.04 (reflecting a 6% rise of the dollar against the Euro relative to the start-of-year exchange rate, which was over 1.10). This phenomenon was reinforced by the outcome of the presidential elections, which, conversely, could increase trade tensions with protectionist manoeuvres and consequently also inflation. The outlook is uncertain, especially regarding geopolitical risks.
In the last year, oil prices have been relatively stable, with Brent crude maintaining an average of about 80 dollars per barrel, and generally fluctuating within the 70 to 90 dollar range.
Regarding metals, the resurgence in stock levels, coupled with investments in decarbonisation and the energy transition, resulted in a 7% increase in copper prices and a 12% rise in aluminium prices by the end of the year compared to initial values.

5.1.3 Trends in the Sectors in which the Group operates

Retail

The global market for Retail commercial refrigeration is forecasted to have an estimated CAGR 2023-2026 between 3% and 6% (source: elaboration by a leading international market research company).
Medium-term growth is mainly driven by the transition to new technologies that are, on the one hand, a response to the latest regulations in terms of CO2 emissions and, on the other hand, enable a reduction in energy consumption and related costs.
In order to better understand the evolution of the global Retail market, it is necessary to explore the dynamics of the different regions:

(a) **Europe (EU)** represents a relatively more mature market, compared to which slower growth is expected in the number of new outlets of large-scale retail trade, where shop renovations are stimulated by current regulations. The F-GAS legislation mandates the complete phase-out of hydrofluorocarbons by 2050, with a gradual reduction in HFC consumption, the most impactful gases on global warming, particularly rapid from 2024 to 2030.
Major retailers presented action plans to achieve their "zero emission" targets and confirm their focus on ESG activities;

(b) The **North American (NAM)** market, on the other hand, is growing in terms of the number of outlets and their characteristics. The United States Environmental Protection Agency has taken steps to limit and progressively reduce the production and consumption of HFCs by 85% by 2035. The first phase of 10% reduction started in 2022 and the second phase of reduction up to 30% was planned for 2024. Although in a preliminary phase of adaptation and replacement of installed technologies to ensure a lower environmental impact, large retailers are accelerating on the issue of emissions and planning their investments accordingly;

(c) The **Latin American (LATAM)** market has a relatively limited presence of organised distribution in the territory, with important changes expected in the next 5 years. The region is growing slightly in terms of new sales outlets, with the mix shifting from larger sales areas to smaller structures (proximity shops). Particularly complex political situations in Brazil, Chile and Peru, as well as the continuing hyper-inflationary condition in Argentina, are elements of uncertainty for the immediate future;

(d) The **Asia Pacific (APAC)** market is following different dynamics, in accordance with the differences in quality and maturity of the regional areas. Globally, APAC retail refrigeration expects a CAGR of 5%-7% until 2028 (source: elaboration by a leading international consulting firm). Modern Food Retail Format sales will increase by 30%-35% over the period based on a panel of 13 countries where China, Japan, South Korea, Indonesia, Taiwan and Thailand account for 95% of revenues. Modern economies (Singapore, Australia, New Zealand) have started the transition to new technologies and environmentally sustainable solutions, while developing areas are proceeding with the progressive reduction of HFCs. China has committed to a 50% reduction of HFCs by 2040, while most South East Asian countries aim for an 80% reduction of HFCs by 2045. New Zealand and Australia propose a total ban on HFCs by 2030-2035.

Food and Beverage

The global market for Food & Beverage commercial refrigeration records an estimated CAGR 2022-2025 of over 5% (source: elaboration by a leading international consulting company). Rising energy costs and the activities foreseen in the ESG plans of market leaders are stimulating the HORECA segment to move towards newer, more energy-efficient equipment. In fact, the largest players in the F&B sector are planning their medium-term investments according to the most attentive ESG criteria, including reducing their carbon footprint and increasing the use of recycled and recyclable materials.

After Sales Market

The global market for After Sales commercial refrigeration records an estimated CAGR 2022-2025 of approximately 3% (source: elaboration by a leading international consulting company).
The expected growth rate takes the following elements into account:

- increase in the total number of refrigeration systems, in line with the expected trend of increase in the number of retail outlets globally;
- greater attention of retail operators to maintaining a high level of efficiency of refrigeration systems, also in order to comply with current environmental standards. In addition to this, there is a need to retrofit older installations to comply with current regulations, such as the new F-gas law approved in February 2024, which requires the total elimination of hydrofluorocarbons by 2050, with a particularly rapid reduction in HFC consumption quotas starting from 2024 until 2030;
- specific activities to mitigate the rising cost of energy, especially in the EU. In particular, the retrofitting of refrigeration cabinets by adding glass sliding doors or lids and by replacing the lighting fixtures with LED devices is increasing;
- an offer that increasingly includes advanced digital services alongside standard maintenance to provide both greater reliability, thanks to the ability to predict failures, and higher performance due to more accurate system monitoring and optimisation of consumption.

5.1.4 Analysis of the consolidated financial situation

This paragraph reports the economic and financial indicators used by Epta to monitor the Group's economic and financial performance, as well as the methods used to determine them. These indicators, drawn up by management from the consolidated financial statements prepared in accordance with the applicable regulations on financial reporting (most often by adding or subtracting amounts from the figures in the financial statements), are used by the directors in order to identify operating trends and make decisions about investments, allocation of resources and other operating decisions.

For a correct interpretation of these indicators, it should be noted that they:

(a) are calculated based on historical data of the Group and are not indicative of the future performance of Epta S.p.A and the Group;

(b) are not subject to audit by the Independent Auditors;

(c) must not be considered as substitutes for the indicators envisaged by the International Accounting Standards;

(d) are defined by Epta and are not envisaged by the International Accounting Standards and therefore may not be homogeneous and comparable with those adopted by other companies/groups;

(e) must be read in conjunction with the Group's financial information.

The following table sets forth the Key Indicators related to financial data for the years ended 31 December 2024, 2023 and 2022.

in Euro thousands, ratios and percentages	At 31 December 2024	At 31 December 2023	At 31 December 2022	Changes 2024 vs 2023		Changes 2023 vs 2022	
Total Revenues	**1,682,149**	**1,432,171**	**1,367,548**	**249,978**	**17.5%**	**64,623**	**4.7%**
Net profit	50,245	56,328	50,017	(6,082)	-10.8%	6,310	12.6%
EBIT	90,566	99,200	78,539	(8,634)	-8.7%	20,661	26.3%
EBIT Margin	5.4%	6.9%	5.7%	-1.5%	-22.3%	1.2%	
Adjusted EBITDA	155,088	144,233	123,072	10,855	7.5%	21,161	17.2%
Adjusted EBITDA Margin	9.2%	10.1%	9.0%	-0.9%	-8.9%	1.1%	

EBIT is a useful unit of measurement to assess the Group's ability to generate profit exclusively from operations, excluding the deduction of financial expenses and taxes. EBIT Margin expresses EBIT as a percentage of total revenues earned in the reporting period.

Adjusted EBITDA is a useful unit of measure for assessing the Group's operating performance; it is calculated as profit or loss for the year before income taxes, financial income and expenses, depreciation and amortisation, foreign exchange gains or losses, the effects of non-recurring transactions and the effects of certain events and transactions that management considers unrelated to the Group's operating performance. Adjusted EBITDA Margin expresses EBITDA as a percentage of total revenues earned during the reporting period.

The following table sets forth the Epta methodology for determining the Group's EBIT and EBIT Margin for the years ended 31 December 2024, 2023 and 2022.

Euro thousands	At 31 December 2024	in % of total revenues	At 31 December 2023	in % of total revenues	At 31 December 2022	in % of total revenues	Changes 2024 vs 2023	%	Changes 2023 vs 2022	%
Net Income	50,245	3.0%	56,328	3.9%	50,017	3.7%	(6,082)	-10.8%	6,310	12.6%
+ taxes for the year	23,895	1.4%	25,936	1.8%	15,465	1.1%	(2,041)	-7.9%	10,471	67.7%
+/- Net financial expenses (income)	16,427	1.0%	16,936	1.2%	13,056	1.0%	(509)	3.0%	3,880	29.7%
EBIT	90,566		99,200		78,539		(8,634)	-8.7%	20,661	26.3%
EBIT margin	5.4%		6.9%		5.7%		-1.6%		1.2%	

The following table sets forth a reconciliation of the Group's net income and Adjusted EBITDA for the financial years ended 31 December 2024, 2023 and 2022.

Euro thousands	At 31 December 2024	in % of revenues	At 31 December 2023	in % of revenues	At 31 December 2022	in % of revenues	Changes 2024 vs 2023	%	Changes 2023 vs 2022	%
EBIT	**90,566**	**5.4%**	**99,200**	**6.9%**	**78,539**	**5.7%**	**(8,634)**	**-8.7%**	**20,661**	**26.3%**
+ Amortisation/depreciation	53,650	3.2%	41,153	2.9%	39,513	2.9%	12,497	30.4%	1,640	4.2%
Income from the sale of assets	(132)	0.0%	(420)	0.0%	(77)	0.0%	288	-68.6%	(343)	445.1%
Extraordinary costs	144	0.0%	878	0.1%	18	0.0%	(735)	-83.7%	860	4780.5%
Non-operating costs	10,944	0.7%	3,539	0.2%	5,020	0.4%	7,406	209.3%	(1,481)	-29.5%
Leases (no industrial)	(84)	0.0%	(113)	0.0%	59	0.0%	29	-25.7%	(172)	-291.8%
Adjusted EBITDA	**155,088**		**144,233**		**123,072**		**10,855**	**7.5%**	**21,161**	**17.2%**
Adjusted EBITDA Margin	**9.2%**		**10.1%**		**9.0%**					

The non-recurring elements for 2024 primarily relate to one-off costs concerning the integration of the companies of the Joint Venture with Viessmann and the merger and acquisition activities.
Total revenues amounted to Euro 1,682,149 thousand as at 31 December 2024, an increase over the previous period (+17%). At the same exchange rate, total revenues would increase by Euro 306,844 thousand compared to 2023, equal to 22%.
The following table shows the revenues broken down by the three BUs of the Group (i.e., Retail BU, After Sales BU and Food & Beverage BU) for the financial years ended 31 December 2024 and 2023.

in Euro thousands and as a percentage of net revenues	At 31 December 2024	%	At 31 December 2023	%	Changes 2024 vs 2023	
Revenues Retail BU	1,287,644	76.5%	1,068,740	74.6%	218,904	20.5%
Revenues After Sales BU	301,784	17.9%	268,844	18.8%	32,940	12.3%
Revenues Food & Beverage BU	92,721	5.5%	94,561	6.6%	(1,840)	-1.9%
Net Revenues	**1,682,149**	**100.0%**	**1,432,145**	**100.0%**	**250,003**	**17.5%**
Non-core revenues			26		-26	-100.0%
Total Revenues	**1,682,149**		**1,432,171**			

The following table shows the indication of the Group's net revenues by geographical area in the financial years ended 31 December 2024 and 2023.

Net Revenues *in Euro thousands and as a percentage of revenues from sales and services*	At 31 December 2024	%	At 31 December 2023	%	Changes 2024 vs 2023	
Italy(*)	164,544	9%	186,253	13%	(21,709)	-12%
France(*)	243,268	14%	252,520	18%	(9,252)	-4%
Germany(*)	271,953	16%	161,635	11%	110,318	68%
United Kingdom(*)	116,501	7%	107,011	7%	9,490	9%
Other European countries(*)	363,719	22%	313,450	22%	50,269	16%
NAM(**)	283,465	17%	248,144	17%	35,321	14%
LATAM(***)	65,989	4%	64,394	4%	1,594	2%
APAC (****)	100,168	6%	91,577	6%	8,591	9%
Other countries	72,543	4%	7,160	0%	65,383	913%
Net revenues	**1,682,149**	**100%**	**1,432,145**	**100%**	**237,050**	**17%**
Non-core revenues			26		(26)	
Total Revenues	**1,682,149**		**1,432,171**		**237,024**	**17%**

Note
(*): EU Area
(**): North and Central America
(***): South America
(****): Asia Pacific

Throughout the 2024 financial year, growth impacted all of the Group's Retail and After Sales BUs, whereas the Food & Beverage BU remained essentially unchanged compared to the previous financial year. There is also growth recorded in substantially all geographic areas where the Group operates, with a decrease occurring only in Italy and France. The decrease observed in Italy is due to a change of scope, related to the transfer to the Purever industrial group of the production and commercial business of Misa-branded cold storage units that took place in the first half of the year. A significant portion of

the growth reported in Germany and other EU countries is attributed to the change in scope, following the acquisition of Viessmann's commercial refrigeration division at the end of 2023.
There was an absolute increase in EBITDA mainly due to volume effects, associated with a slight reduction in profitability as a percentage of turnover. The integration activities of Viessmann's commercial refrigeration division commenced at the start of the year, according to the defined plan to achieve synergies and consequently create value. The results of these activities, which required an investment in specialised resources in 2024, although they have already delivered some benefits in 2024, will fully manifest in future years in line with the established value creation goals.

The following table highlights the Key Balance Sheet Data Indicators for the years ended 31 December 2024, 2023 and 2022.

in Euro thousands, ratios and percentages	At 31 December 2024	At 31 December 2023	At 31 December 2022	Changes 2024 vs 2023		Changes 2023 vs 2022	
Net fixed assets	382,699	368,759	291,998	13,941	3.8%	76,761	26.3%
Net operating working capital	362,785	419,172	382,481	(56,387)	-13.5%	36,691	9.6%
Net working capital	270,424	350,507	290,294	(80,083)	-22.8%	60,213	20.7%
Net Working Capital/Total Revenues	16.1%	24.5%	21.2%	-8.4%		3.2%	
Net invested capital	626,512	683,917	554,042	(57,405)	-8.4%	129,875	23.4%
Average days of warehouse rotation	77	78	82	(1)	1.3%	-4	-5.5%
Average days of collection of trade receivables	78	87	84	(10)	-11.5%	3	3.3%
Average payment days for trade payables	65	62	69	3	4.8%	-8	-10.9%
Net financial debt	93,829	192,195	170,333	(98,366)	-51.2%	21,862	12.8%

Net Fixed Assets indicates the amount of capital assets. It is defined as the algebraic sum of tangible fixed assets, intangible fixed assets, right of use, goodwill and financial fixed assets.
Net Working Capital is a useful unit of measurement for evaluating and monitoring the liquid resources required to meet obligations due. The Company distinguishes between two levels of working capital, namely Net Operating Working Capital, calculated as the algebraic sum of inventories, trade receivables and trade payables, and Net Working Capital, which in addition to the above items also includes other receivables and other current assets, tax receivables, tax payables, other current liabilities, deferred tax assets, deferred tax liabilities and other non-current liabilities. The table above also shows the ratio of Net Working Capital to Total Revenues for the years ended 31 December 2024, 2023 and 2022.
Average days in stock express the average time, expressed in days, that inventories remain in stock before being used for the production process or sold during the year. For the years ended 31 December 2024, 2023 and 2022, the index is calculated at the end of each month by comparing (i) the inventories recorded at the end of the month under analysis and (ii) the sales revenues for the last 120 days, multiplied by 120. The arithmetic average of the 12 months making up the financial year represents the indicator for that year.
Average days to collect trade receivables indicates the average time to collect trade receivables from the Group's customers, expressed in days. They are calculated by Epta at the end of each month by comparing (i) the total trade receivables for the month under analysis and (ii) the operating revenues for the previous 120 days. In order to calculate the average collection days for the year, the arithmetic average of the average collection days for the 12 months that make up the year is calculated.
Average days to pay trade payables indicates the average time taken to pay the Group's trade payables to suppliers expressed in days. The indicator is calculated on a monthly basis, by subtracting the “Operating Working Capital Days” indicator from the sum of the average number of days of collection of trade receivables and the average number of days the company has reserves in stock. The latter, in turn, is calculated monthly by relating the operating working capital at the end of the month under analysis to the sum of the previous 120 days' revenues and multiplying the result by 12.
In general, during 2024, there was an improvement in inventory turnover days and a significant reduction in the days to collect receivables, which positively influenced the year's cash flow.
Net Invested Capital is a useful unit of measure for calculating the total assets and liabilities required by the Group to carry out its typical activities. It is calculated as the algebraic sum of Net Fixed Capital, Net Working Capital, other medium/long-term assets and other medium/long-term liabilities.

The Cash Conversion rate is an index that provides an indication of the Group's ability to convert Adjusted EBITDA into cash. It is calculated as the ratio of (i) Adjusted EBITDA - Capex and (ii) Adjusted EBITDA. Full Cash Conversion is calculated as the ratio of Adjusted EBITDA – Capex +/- Delta Net Operating Working Capital and Adjusted EBITDA.

An 8 percentage point reduction in the incidence of Working Capital against turnover has significantly improved this measure, elevating it to a level well above 100%.

Euro thousands	At 31 December 2024	At 31 December 2023	At 31 December 2022	Changes 2024 vs 2023	%	Changes 2023 vs 2022	%
Adjusted EBITDA (A)	155,088	144,233	123,072	10,855	7.5%	21,161	17.2%
Capex intangible assets (B)	27,726	33,934	28,075	(6,208)	-18.3%	5,859	20.9%
Cash Conversion [(A-B)]	**127,362**	**110,299**	**94,997**	**17,063**	**15.5%**	**15,302**	**16.1%**
Cash Conversion [(A-B)/A]	**82.1%**	**76.5%**	**77.2%**				
Net operating working capital	362,785	419,172	382,481	(56,387)	-13.5%	36,691	9.6%
Delta Working Capital (C)	56,387	(36,691)	(109,643)				
Full Cash Conversion [(A-B+/-C)]	**183,749**	**73,608**	**(14,646)**				
Full Cash Conversion [(A-B+/-C)/A]	**118.5%**	**51.0%**	**-11.9%**				

The following table provides details of the composition of net financial debt determined in accordance with CONSOB Communication DEM/6064293 of 28 July 2006 and in accordance with recommendations ESMA/2013/319 and the new guidelines published on 4 March 2021 on the disclosure requirements arising from Regulation 1129, Regulation 979 and Regulation 980, for the years ended 31 December 2024, 2023 and 2022.

(Euro thousands)	31.12.2024	31.12.2023	31.12.2022	Changes 2024 vs 2023	Change% 2024 vs 2023	Changes 2023 vs 2022	Change% 2023 vs 2022
(A) Cash	(46)	(1,041)	(47)	995	-96%	(994)	2104%
(B) Other cash and cash equivalents	(195,134)	(128,724)	(114,19)	(66,410)	51%	(14,534)	13%
(C) Other current financial assets	(6,434)	(4,895)	(17,724)	(1,539)	31%	12.83	100%
(D) Liquidity (A) + (B) + (C)	**(201,613)**	**(134,660)**	**(131,961)**	**(66,953)**	**50%**	**(2,699)**	**2%**
(E) Current financial payables	56,199	33,709	117,984	22.49	67%	(84,275)	-71%
(F) Current portion of non-current debt	39,294	73,547	53,159	(34,253)	-47%	20,389	38%
(G) Current financial debt (E) + (F)	**95,494**	**107,256**	**171,143**	**(11,762)**	**-11%**	**(63,886)**	**-37%**
(H) Net current financial debt (G) - (D)	**(106,119)**	**(27,404)**	**39,181**	**(78,715)**	**287%**	**(66,585)**	**-170%**
(I) Non-current debt (excluding current portion and debt instruments)	171,071	192.45	103,111	(21,378)	-11%	89,339	87%
(J) Debt instruments	28,877	27,149	28,041	1,727	6%	(892)	-3%
(K) Trade and other non-current payables	-	-	-	-	-	-	-
(L) Non-current financial debt (I) + (J) + (K)	**199,948**	**219,599**	**131,152**	**(19,651)**	**-9%**	**88,447**	**67%**
(M) Total financial debt (H) + (L)	**93,829**	**192,195**	**170,333**	**(98,366)**	**-51%**	**21,862**	**13%**

The Group's net financial debt significantly improved compared to the previous year (-51%), despite the notable growth that was recorded.
The Group's financial structure remains very solid, considering that Net Financial Debt of Euro 93,829 thousand represents a ratio of 0.61x to EBITDA and 17.6% to Equity.
The consolidated net financial debt includes:

- a bond amounting to approximately Euro 29 million, maturing in 2026, finalised on 18 April 2019 through the placement of securities with Pricoa Capital Group - a company of the US Prudential Financial Group (a company active in the private placement market). The issuance (in USD) is related to the acquisition of Kysor Warren, which was completed on 29 March 2019. The framework agreement provides for the possibility for the Epta group to place additional bond issues, up to a total amount of USD 150 million (or Euro equivalent);
- long-term loans previously granted by Cassa Depositi e Prestiti for Euro 50 million, maturing in over twelve months, and by the European Investment Bank, with a remaining debt of Euro 73 million at the end of 2024, of which Euro 57 million is maturing in over twelve months.

In 2024, thanks to the liquidity generated by operational management and the reduction in working capital, the Group repaid, in addition to Euro 15 million of instalments maturing within the year on long-term loans, also the uses that were in place at the end of the previous year on the committed RCF lines for Euro 41 million; the committed RCF lines were then renewed for two years for an amount of Euro 100 million, completely unused at the end of 2024 and therefore fully available.

At the end of 2024, BNL BNP Paribas granted a new loan of Euro 10 million to the parent company, with a maturity period beyond twelve months. The company will receive an interest contribution from Simest for this loan. Simest, in return for a capital increase, acquired a minority stake in the Mexican subsidiary worth USD 10 million, of which USD 6 million was already paid by the end of 2024 and the remainder is to be settled within twelve months. Simest will sell this shareholding to the parent company at the end of 2028.
Pursuant to article 2428, paragraph 2 of the Italian Civil Code, the analysis of the Group's situation and performance is further commented, for greater understanding, with the presentation of certain financial and economic indicators (average balance sheet values):

FINANCIAL INDICATORS

	31.12.2024	31.12.2023
Total non-current assets	415,644	364,027
Total assets	1,301,224	1,194,118
Weight of fixed assets	**31.90%**	**30.50%**
Total current assets	885,579	830,091
Total assets	1,300,224	1,194,118
Weight of working capital	**68.10%**	**69.50%**
Total shareholders' equity	512,202	439,022
Total liabilities and shareholders' equity	1,300,224	1,194,118
Weight of equity	**39.40%**	**36.80%**
Total liabilities	789,020	755,095
Total liabilities and shareholders' equity	1,301,222	1,194,118
Weight of minorities' capital	**60.60%**	**63.20%**
Total current assets	885,579	830,091
Total current liabilities	507,020	512,849
Availability Index	**174.70%**	**161.90%**
Cash and cash equivalents and short-term deposits	162,472	122,001
Total current liabilities	507,020	512,849
Liquidity index	**32.00%**	**23.80%**
Total shareholders' equity	512,202	439,022
Total non-current assets	415,644	364,027
Fixed asset coverage index	**123.20%**	**120.60%**

ECONOMIC INDICATORS

	31.12.2024	31.12.2023
Consolidated net result	50.2745	56,328
Total shareholders' equity	512,202	439,022
Return on equity	**9.8%**	**12.8%**
Operating result	**90,568**	**99,200**
Amortisation/depreciation	53,650	41,153
Provisions/Releases	3,227	22
Gross Operating Margin	**147,445**	**140,375**
Operating result	90,568	99,200
Operating invested capital	627,270	682,870
Return on investment	**14.4%**	**14.5%**
Operating result	90,568	99,200
Sales	1,682,149	1,432,171
Sales profitability	**5.4%**	**6.9%**

5.1.5 Analysis of the performance of the Group companies

Epta France S.A.S. - France
It carries out the production and marketing in France and abroad of the Group's products, as well as installation and service activities.
In 2024, it achieved revenues of approximately Euro 270 million.
Epta UK Ltd - United Kingdom
It carries out manufacturing and marketing of George Barker branded products in the United Kingdom.
In 2024, it generated revenues of approximately Euro 119 million.
Epta Iberia S.A.U. - Spain
It carries out activities of distribution of the Group's products, installation of equipment and service in Spain.
In 2024, it achieved revenues of approximately Euro 47 million.
Epta Deutschland GmbH - Germany
It carries out the marketing of the Group's products and service activities (installation and after-sales) in Germany.
In 2024, it achieved revenues of approximately Euro 177 million.
DAAS Impex Srl - Romania
It undertakes marketing activities for the Group's products, as well as installation and service operations within the commercial, industrial, and Ho.Re.Ca. refrigeration sectors; in 2024, the company merged with its parent company, Epta Refrigeration Romania Srl.
The turnover developed during the year amounted to approximately Euro 51 million.
Epta Kältetechnik Ost GmbH – Germany
It carries out installation and service activities in Germany. In 2024, it generated revenues of approximately Euro 51 million.
Epta Refrigeration Oy – Finland
It manufactures and markets refrigerated cabinets for the Group's companies.
In 2024, it generated revenues of approximately Euro 41 million.
Epta Refrigeration Norway AS – Norway
The company is active in the marketing of refrigerator counters, as well as installation and service activities in the local market.
In 2024, it generated revenues of approximately Euro 41 million.
Epta International Kft - Hungary
This is a commercial company that deals with commercial development in areas not directly covered by other Group companies, particularly in Central Europe and the Middle East, developing a new customer base and new market areas. The company has a commercial branch in Dubai and one in Serbia.
It achieved revenues of approximately Euro 99 million.
Iarp Asia Co., Ltd – Thailand
It carries out the activity of production and marketing in the Far East of products for retail and Food & Beverage.
In 2024, it generated revenues of approximately Euro 41 million.
Kysor Warren Epta US Corporation - USA
It carries out the production and marketing of the Group's products, as well as installation and service activities in the USA and abroad.
In 2024, it generated revenues of approximately Euro 195 million.
Kysor Warren de Mexico S. De R. L. De C.V. - Mexico
It carries out the marketing of the Group's products in Central America, as well as service (installation and after-sales, through its subsidiary Kysor Warren Mexico Services S. De R. L. De C.V.) in Central America.
In 2024, it generated totally revenues of Euro 79 million.

The following companies carry out production, installation, and after-sales activities for the Group with individual turnovers of less than Euro 30 million and overall revenues of Euro 419 million:
- Epta Istanbul Soğutma Sistemleri San.Tic.Ltd.Şti. – Turkey, which carries out production activities for the local market and for the other Group companies;
- EptaRefrigeration Portugal S.A.– Portugal;
- Epta Austria Gmbh – Austria;
- Epta Polska sp.z.o.o. – Poland;
- Epta Finland Oy – Finland; the company merged by incorporation with Epta Suomi Oy during 2024;
- Epta Services Oy – Finland;
- Epta Baltics OÜ – Estonia;
- IAC Vestcold AS – Norway;
- CoolTeam Midt Norge AS – Norway;
- Epta Sweden AB – Sweden;
- Epta Refrigeration Systems Aps – Denmark;

- Epta Refrigeration Denmark A/S – Denmark;
- Fri-Service Czech s.r.o – Czech Republic;
- Fri-Service SK s.r.o. – Slovakia;
- Epta Kältetechnik West GmbH & Co. KG – Germany;
- Epta Kältetechnik Nord GmbH – Germany.
- HEIFO Kältetechnik GmbH – Germany, acquired in 2023;
- Epta Technical Services UAE LLC – United Arab Emirates;
- Epta Technical Services Ryiadh LLC – Saudi Arabia;
- Epta Refrigration India Private Limited – India;
- Epta (Qingdao) Retail Equipment Co. – China;
- Epta Asia Pte Ltd. – Singapore;
- Epta Vietnam Company Limited – Vietnam;
- Epta Refrigeration Philippine Inc – Philippines;
- Epta Australia PTY Ltd – Australia;
- Iarp Services Co., Ltd – Thailand;
- Sofrico S.A.R.L. New Caledonia;
- Epta Argentina S.A. – Argentina;
- Epta Chile S.A.– Chile;
- Kysor Warren Services S. de R.L de C.V. – Mexico;
- Epta Andina S.A.S. – Colombia;
- Epta Peru S.A.C. – Peru;
- Epta Costa Rica Ltda – Costa Rica;
- Epta Guatemala Sociedad Anonima – Guatemala;
- Epta El Salvador S.A. de C.V. – El Salvador;

The following companies are subholdings or non-operating companies:
- Epta North Central Europe B.V. – Netherlands – subholding controlling the companies within the perimeter acquired through the acquisition from the Viessmann Group, created in 2023 specifically as a vehicle;
- Epta Kältetechnik GmbH – Germany – non-operating;
- Epta Kältetechnik West Verwaltung GmbH – Germany – non-operating;
- Oy Mareno Butik AB – Finland – non-operating;
- Epta Développment S.a.s. – France – non-operating;
- Epta Rack S.A. – France – non-operating;
- Costan Refrigeration Ltd. – UK – non-operating;
- Epta Service UK Ltd. – UK – non-operating;
- Epta Cold Service Ltd. – UK – non-operating;
- Epta Norway AS – Norway – non-operating;
- Epta Refrigeration (M) Snd Bhd – Malaysia – non-operating;
- Epta Honduras SA – Honduras – non-operating.

5.1.6 Economic value generated and distributed to stakeholders

Economic value generated and distributed represents a company's ability to create wealth and distribute it among its stakeholders. The economic value generated by the Group, in fact, is distributed for the most part to the various stakeholders with whom the company comes into contact in the performance of its activities, while respecting the cost-effectiveness of management and the expectations of these same stakeholders.
The economic value retained, determined as the difference between the economic value generated and the economic value distributed, represents instead the set of financial resources dedicated to the economic growth and equity stability of the company, as well as to the creation of new wealth to the benefit of stakeholders.
In 2024, the economic value generated amounted to Euro 1,687,471 thousand. Of these, the economic value retained by the company amounted to Euro 50,272 thousand. The distributed economic value amounted to Euro 1,571,750 thousand and is divided between the following stakeholders:

- operating costs account for the main share, amounting to Euro 1,089,439 thousand;
- approximately Euro 442,622 thousand was paid to employees, primarily for wages, salaries, social security and welfare expenses;
- Euro 23,857 thousand was paid to the Public Administration for direct and indirect taxes;
- Euro 15,832 thousand was paid to lenders in the form of interest and commissions, financial expenses and differences arising from the application of IAS 29 Hyperinflated Economies.

ADDED VALUE	2024	2023
Revenues	1,643,387	1,396,437
Other income	38,762	35,734
Financial income	5,322	5,143
Total economic value generated	**1,687,471**	**1,437,314**
Operating costs	1,089,445	950,819
Remuneration of personnel	442,605	341,385
Remuneration of lenders	15,832	14,593
Public Administration Remuneration (*)	23,857	25,936
Total economic value distributed	**1,571,777**	**1,332,733**
Bad debts	2,609	(407)
Unrealised exchange rate differences	5,963	7,486
Amortisation/depreciation	53,650	41,153
(Provisions)/Releases of funds	3,227	22
Total economic value retained	**50,245**	**56,328**

(*) also includes deferred taxes.

5.1.7 Transactions with related parties

With reference to the type of transactions between Group companies and related parties, reference should be made to the section “Transactions with related parties” in the Notes to the Consolidated Financial Statements.

5.1.8 Other information

As at 31 December 2024, the Parent Company held 3,030,000 shares. At the same date, the Parent Company did not hold any shares in the Holding Company, either directly or through fiduciary companies or proxies.

5.1.9 Business outlook

Recent international events have led to multiple challenges affecting the stability of the global economy, including the outcomes of the US elections and the consequent protectionist policies, unresolved conflicts in Ukraine and the Middle East, energy instability, and uncertainty about growth in the European Union.

Despite this, the operating information available after 31 December 2024 shows a revenue and order trend in line with the 2025-2028 business plan approved by the Company's Board of Directors.

Prices of materials and components are relatively stable compared to the financial year 2024, while logistics and energy costs could see significant increases due to the current geopolitical scenario.

In general, Epta will continue to follow the guidelines defined in its Strategic Plan during 2025. Specifically, the continuous process of integration and consolidation of the acquisitions made over the last few years, and in particular those made during 2023, is planned in order to fully achieve the expected synergies. It is then planned to continue with ongoing innovation and investment activities aimed at improving the Group's competitiveness, including through the introduction of digital technologies.

The Group is diligently monitoring geopolitical developments and their economic repercussions, primarily regarding protectionist policies and the introduction of tariff duties that could impact trade volumes between Group entities, both internally and with third parties. Actions are being defined to mitigate any adverse effects related to protectionist measures of this kind.

5.2 Financial Statements

Statement of financial position - Assets

Amounts in Euro thousands	Notes	31.12.2024	31.12.2023	Change
Property, plant and equipment	1	232,294	217,668	14,626
Right of use	2	57,499	55,715	1,784
Property investments	3	1,430	1,430	-
Goodwill and other intangible assets with indefinite life	4	72,852	72,724	128
Intangible assets	5	18,373	19,305	(932)
Investments	6	251	487	(235)
Derivative financial instruments - non-current	7	165	373	(209)
Other non-current assets	8	6,007	1,106	4,901
Deferred tax assets	9	38,065	33,267	4,797
Other non-current financial assets	10	1,463	814	649
Total non-current assets		**428,399**	**402,890**	**25,509**
Inventories	11	308,111	313,448	(5,336)
Trade receivables	12	349,480	374,330	(24,850)
Other current financial assets	13	6,434	4,895	1,539
Tax receivables	14	22,934	21,641	1,294
Other receivables and other current assets	15	20,623	23,637	(3,014)
Derivative financial instruments - current	16	8	674	(666)
Cash and cash equivalents and short-term deposits	17	195,179	129,765	65,414
Total current assets		**902,770**	**868,389**	**38,380**
Total assets		**1,331,168**	**1,271,279**	**59,889**

Statement of Financial Position - Liabilities

Amounts in Euro thousands	Notes	31.12.2024	31.12.2023	Change
Share capital		68,998	68,998	-
Reserves		83,873	50,085	33,789
Other reserves and reserves for undivided profits		288,998	280,632	8,366
Result attributable to the Group		51,827	53,330	(1,503)
Minorities equity		38,985	38,677	308
Total shareholders' equity	**18**	**532,682**	**491,722**	**40,960**
Medium/long-term financial payables	19	200,604	219,599	(18,995)
Derivative financial instruments	20	38	-	38
Liabilities for employee benefits	21	23,775	24,527	(751)
Provisions for risks and charges	22	22,076	24,348	(2,272)
Deferred tax liabilities	23	24,880	21,280	3,600
Other non-current liabilities	24	981	1,889	(907)
Total non-current liabilities		**272,356**	**291,643**	**(19,287)**
Short-term financial payables	25	95,494	107,256	(11,762)
Trade payables	26	243,594	227,407	16,187
Tax payables	27	36,692	33,701	2,991
Other current liabilities	28	149,461	119,551	29,910
Derivative financial instruments	29	889	-	889
Total current liabilities		**526,485**	**487,915**	**38,215**
Total liabilities		**798,485**	**779,557**	**18,828**
Total shareholders' equity and liabilities		**1,331,168**	**1,271,279**	**59,889**

Income Statement

Amounts in Euro thousands	Notes	31.12.2024	31.12.2023	Change
Revenues from sales and services	30	1,643,387	1,396,437	246,950
Other revenues and income	31	38,762	35,734	3,028
Total revenues		**1,682,149**	**1,432,171**	**249,978**
Costs for raw and ancillary materials, consumables and goods	32	(683,710)	(620,081)	(63,629)
Costs for services	33	(393,710)	(320,635)	(73,075)
Personnel costs	34	(442,605)	(341,385)	(101,220)
Amortisation/depreciation	35	(53,650)	(41,153)	(12,497)
(Provisions) Releases	36	(3,227)	(22)	(3,205)
Other operating costs	37	(14,679)	(9,695)	(4,984)
Operating costs		**(1,591,581)**	**(1,332,972)**	**(258,610)**
Operating result		**90,568**	**99,200**	**(8,632)**
Financial income	38	5,322	5,143	179
Financial expenses	39	(15,832)	(14,593)	(1,238)
The portion attributable to the Group's result from associated companies	40	46	-	46
Foreign exchange gains and losses	41	(5,963)	(7,485)	1,522
Total financial income and expense + (-)		**(16,427)**	**(16,936)**	**509**
RESULT BEFORE TAXES + (-)		**74,140**	**82,264**	**(8,123)**
Income taxes	42	(23,895)	(25,936)	2,041
Net result		**50,245**	**56,328**	**(6,082)**
Minority share		(1,587)	2,998	(4,580)
RESULT ATTRIBUTABLE TO THE GROUP		**51,827**	**53,330**	**(1,503)**

Statement of comprehensive income

Amounts in Euro thousands	Notes	31.12.2024	31.12.2023
Total net result (A)		**50,245**	**56,328**
Change in Cash Flow Hedge reserve	18	(207)	(346)
Change in translation reserve	18	(3,464)	(8,596)
Total other gains/(losses) to be subsequently reclassified to net result for the period, net of tax effects (B1)		**(3,671)**	**(8,942)**
Actuarial gains/losses on defined benefit plans	18	412	(944)
Actuarial gains/losses on stock grants	18	1,829	562
Change in fair value reserve Land and Buildings	1	11,039	11,883
Total other income/(loss) not subsequently reclassified to net result for the period, net of tax (B2)		**13,280**	**11,501**
Total other gains/(losses) net of the tax effect (B)		**9,609**	**2,559**
Total comprehensive profit/loss (A) + (B)		**59,854**	**58,887**
Minority share		(1,582)	2,998
Result attributable to the Group		**61,436**	**55,889**

Cash flow statement

Amounts in Euro thousands	At 31 December 2024	At 31 December 2023
Result of the year	50,245	56,328
Taxes for the year	23,857	25,936
Amortisation/depreciation	53,650	41,153
Financial expenses	15,832	14,593
Financial income	(5,322)	(5,143)
Provisions and releases	3,227	22
Cash flow from/(used in) operating activities before changes in net working capital	**141,489**	**132,889**
(Increase)/Decrease in inventories	5,337	(40,778)
(Increase)/Decrease in current receivables	24,970	(23,990)
Increase/(Decrease) in payables to suppliers	16,191	(8,836)
(Increase)/Decrease in other assets	(1,784)	597
Increase/(Decrease) in other liabilities	22,872	9,469
Increase/(Decrease) in liabilities for employee benefits	(1,464)	(1,006)
Increase/(Decrease) in provisions for risks and charges	(5,619)	312
Cash flow generated/(absorbed) by assets and liabilities	**201,995**	**68,657**
Taxes paid	(12,432)	(14,129)
A. Cash flow generated/(absorbed) by operating activities	**183,549**	**54,528**
Property, plant and equipment	(27,589)	(28,687)
Property investments	-	20
Other changes in tangible assets	(16,787)	(29,938)
Intangible assets	(5,064)	(5,150)
Other changes in intangible assets	(6,037)	(39,659)
Equity investments in associated companies	236	(143)
B. Cash flow generated/(absorbed) by investing activities	**(55,241)**	**(103,557)**
Exchange rate differences from the translation of financial statements in foreign currency	1,525	(8,596)
Derivative financial instruments	874	1,567
Change in current payables to banks and other lenders	(22,460)	(57,000)
Change in non-current payables to banks and other lenders	(20,504)	60,697
Financial assets	(1,539)	12,829
Changes in shareholders' equity		75,759
Dividends distributed by the parent company	(20,785)	(20,699)
C. Cash flow generated/(absorbed) by financing activities	**(62,908)**	**64,557**
Opening cash and cash equivalents	**129,765**	**114,237**
Net cash flow generated/(absorbed) by operating activities (A)	183,549	54,528
Net cash flow generated/(absorbed) by investing activities (B)	(55,241)	(103,557)
Net cash flow generated/(absorbed) by financing activities (C)	62,908	64,557
Total change in cash and cash equivalents (A)+(B)+(C)	**65,400**	**15,528**
Cash and cash equivalents at the end of the year	**195,179**	**129,765**

Changes in shareholders' equity

EPTA S.p.A. - CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

(amounts in Euro/000)

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Amounts in Euro thousands	Capital	Revaluation reserve	Legal reserve	Statutory reserve for the purchase of treasury shares	Treasury shares reserve	Extraordinary reserve	Fair Value Reserve for Land and Buildings	Cash flow hedge	Reserves for employee benefits	Stock Grant reserve	Translation reserve and retained earnings	Profit/loss for the year	Group shareholders' equity	Third-party capital and reserves	**Total shareholders' equity**
Financial statements as at 31 December 2022	**68,998**	**22,454**	**13,800**	**3,521**	**(5,598)**	**11,709**	**42,572**	**649**	**(3,929)**	**1,123**	**180,808**	**49,921**	**386,029**	**294**	**386,323**
Result allocation						24,897					25,024	(49,921)	-		-
Dividends						(20,699)							(20,699)		(20,699)
Conversion difference											(8,596)		(8,596)	265	(8,331)
Acquisition of minority interests											(10,105)		(10,105)	10,105	-
Other components of the comprehensive income statement							18,731	(346)	(944)	112			17,553		17,553
Other changes											34,534		35,534	25,015	60,549
Profit/loss for the year												53,330	53,330	2,998	56,328
Financial Statements as at 31 December 2023 (*)	**68,998**	**22,454**	**13,800**	**3,521**	**(5,598)**	**15,907**	**61,303**	**303**	**(4,873)**	**1,235**	**222,665**	**53,330**	**453,046**	**38,677**	**491,723**
Result allocation						33,789					19,541	(53,330)	-		-
Dividends											(20,785)		(20,785)		(20,785)
Conversion difference											(3,464)		(3,464)	1,898	(1,573)
Acquisition of minority interests													-	-	-
Other components of the comprehensive income statement							11,039	(207)	412	1,829	(6,398)		13,073		13,073
Result of the year												51,827	51,827	(1,582)	50,245
Financial statements as at 31 December 2024	**68,998**	**22,454**	**13,800**	**3,521**	**(5,598)**	**49,696**	**72,342**	**96**	**(4,461)**	**3,064**	**217,957**	**51,827**	**493,697**	**38.9875**	**532,682**

(*) Restated comparative balance

5.3 Notes to the Consolidated Financial Statements

Company information

The consolidated financial statements of the Epta Group (hereinafter also the Epta Group or Group) for the year ended 31 December 2024 were approved by the Board of Directors of Epta S.p.A. on 28 February 2025. The activities of the Parent Company and its subsidiaries are described in the Directors' Report on Operations.

Basis of preparation

The consolidated financial statements of the Epta Group, consisting of the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in shareholders' equity and the related explanatory notes, have been prepared in accordance with the International Financial Reporting Standards (hereinafter also IAS/IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union and the related interpretations.

The consolidated financial statements have been prepared based on the historical cost principle, except for the following items (for further details, please consult the relevant accounting standards):

- property investments;
- land and buildings (classified under the item “Property, plant, and equipment”);
- financial instruments;
- derivative financial instruments;
- potential consideration deriving from business combination operations;
- Liabilities from defined benefit pension plans;
- Liabilities from cash-settled share-based payments.

The book value of liabilities that are subject to fair value hedging transactions and would otherwise be recorded at amortised cost, is adjusted to take account of changes in the fair value attributable to the hedged risks.

Moreover, the consolidated financial statements have been prepared by the Parent Company's Directors on a going concern basis, in accordance with paragraphs 25 and 26 of IAS 1, having verified that there are no material uncertainties regarding the Company's ability to meet its obligations in the foreseeable future.

Risks and uncertainties related to business activities are described in the appropriate section of this Notes to the consolidated financial statements.

Unless otherwise indicated, the amounts shown in these consolidated financial statements and the related notes are expressed in Euro thousands, given their relevance.

Financial Statements

The Group presents the income statement classified by nature.

The components of the statement of comprehensive income are grouped on the basis of whether or not they will be reflected in the income statement in the future.

The balance sheet is classified on a current/non-current basis.

An asset is current when:

- it is expected to be realised, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held mainly for the purpose of negotiating it;
- it is expected to be realised within twelve months of the closing date of the year;
- it consists of cash or cash equivalents unless it is forbidden to exchange it or use it to settle a liability for at least twelve months from the closing date of the financial year.

All other assets are classified as non-current.

A liability is current when:
- it is expected to be settled in its normal operating cycle;
- it is held mainly for the purpose of negotiating it;
- it must be settled within twelve months of the closing date of the year; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months of the closing date of the year.

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
It is believed that this representation of the financial statements best reflects the elements that determined the Group's economic results, as well as its financial and asset structure.
The cash flow statement has been prepared on the basis of the indirect method, and is presented in accordance with IAS 7, classifying cash flows between operating, investing and financing activities.

Scope of consolidation

The companies included in the scope of consolidation and the related consolidation method are shown in Annex 1 to the Notes.
During 2024, the composition of the Group changed as follows:
- Capital increase in the Mexican subsidiary Kysor Warren de México S. De R.L. De C.V.; the transaction, described in detail in Note 19 of the Notes to the consolidated financial statements, was essentially a financial transaction for the Group and not a real partial transfer of control; therefore, the company was, in any case, fully consolidated;
- Acquisition of minority interests from the third-party shareholders of Sofrico S.a.r.l. now held at 100% (82% as at 31 December 2023);
- Establishment of Epta Refrigeration India Private Limited, with a share capital of Rupees one million, which carries out marketing activities of the Group's products in India;
- Merger by incorporation of Viessmann Chladici Systemy s.r.o. into Fri-Service Czech s.r.o. in October 2024;
- Merger by incorporation of Epta Kältetechnik West GmbH & Co. KG in Epta Deutschland GmbH in October 2024;
- Merger by incorporation of Epta Systemy Chłodnicze sp. z o.o. into Epta Polska sp. z.o.o. in December 2024;
- Merger by incorporation of Epta Suomi OY into Epta Finland OY;
- Reverse merger of the subholding Epta Refrigeration Romania srl into the subsidiary DAAS Impex Srl;
- Transfer of minority interest in F.R. – Frio e Refrigeracao Lda;
- Sale of the cold storage business unit: as part of its project to focus on the core business of commercial refrigeration, and in line with the guidelines of its Strategic Plan 2024-2027, on 2 April 2024 Epta S.p.A. signed an agreement with Purever - a global player specialised in advanced technical insulation solutions for the Life Sciences & Health, Food Chain and Logistics, Catering, Supermarket & Food Retail sectors - for the sale of its commercial and industrial cold storage manufacturing business under the MISA brand. The operational framework allowed for the creation of a Newco by Epta S.p.A., to which all activities, assets, and employment relationships associated with the MISA brand were transferred. This included the production plant in Pomezia (Rome), employing roughly 110 staff, followed by Purever's acquisition of the entire stake in this Newco.

Consolidation principles

The consolidated financial statements include the financial statements of the Parent Company, Epta S.p.A., and of the companies over which the Parent Company exercises control, directly or indirectly.
As defined by IFRS 10, control exists when the Group has simultaneously:
a. power over the entity being invested in;
b. exposure or rights to variable returns arising from the relation with the entity of the investment;
c. ability to exercise its power on the entity of the investment to affect the amount of its returns.

There is a presumption that a majority of the voting rights results in control, however to support this presumption and when the Group holds less than a majority of the voting rights (or similar rights), management considers all relevant facts and circumstances to determine whether it controls the investee entity, (*de facto* control) including:

a. contractual agreements with other holders of voting rights;
b. rights deriving from contractual agreements;
c. voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control of an investee whenever circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control above.
The consolidation of a subsidiary begins when the Group obtains control and ceases when it loses control. Therefore, the assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which such control ceases.
Profit or loss for the year and each of the other components of comprehensive income are allocated to the Parent Company and to minorities, even if this means that minority interests have a negative balance.
When necessary, appropriate adjustments are made to the financial statements of the subsidiaries, in order to ensure compliance with the Group's accounting standards.
Changes in ownership interests in a subsidiary that do not result in the acquisition or loss of control are accounted for in equity.
If the Group loses control of a subsidiary, it eliminates the related assets (including goodwill), liabilities, minority interests and other components of shareholders' equity, and any resulting gain or loss is recognised in the income statement, together with any suspended effects deriving from previous consolidation.
Any minority interest retained must be recognised at fair value.

Elimination of transactions between companies included in the scope of consolidation

In preparing the consolidated financial statements, profits not yet realised from transactions between Group companies are eliminated, as are items giving rise to payables and receivables, costs and revenues between companies included in the scope of consolidation. Unrealised profits generated by transactions with associates are eliminated in proportion to the value of the Group's shareholding in those companies.

Foreign currency transactions

All transactions are accounted for in the functional currency in which each Group company operates. Transactions carried out in currencies other than the functional currency of Group companies are converted into the same on the basis of the exchange rate on the date of the transaction. Monetary assets and liabilities (defined as assets or liabilities held to be collected or paid, the amount of which is fixed or determinable - IAS 21) are converted at the exchange rate on the reporting date; exchange rate differences are recorded in the Income Statement. Non-monetary assets and liabilities, which are measured at historical cost in foreign currencies, are translated at the historical exchange rate on the date of the transaction. Non-monetary assets and liabilities, which are measured at fair value in a foreign currency, are translated at the exchange rate in effect on the date the fair value is determined.

Conversion of financial statements into foreign currencies

The financial statements of companies with a functional currency other than the currency in which the consolidated financial statements are presented (Euro) and which do not operate in countries with hyperinflationary economies, are converted as follows:

a. assets and liabilities, including goodwill and fair value adjustments arising from the consolidation process, are translated at the exchange rates prevailing on the reporting date;
b. revenues and costs are translated at the average exchange rate for the period, considered as an exchange rate that approximates to the rate prevailing on the dates when the individual transactions took place;
c. monetary assets and liabilities are translated at the exchange rate on the reporting date;
d. non-monetary assets and liabilities, which are measured at historical cost in foreign currencies, are translated at the historical exchange rate on the date of the transaction;
e. exchange rate differences arising from the conversion process are recorded in a specific equity reserve.

In addition, as of 1 January 2018, the Group with respect to the activities of its subsidiary Epta Argentina S.A., applies “IAS 29 - Financial reporting in hyper-inflationary economies”. This standard applies to the financial statements of companies whose functional currency is the currency of a hyper-inflationary economy and essentially defines the criteria for measurement and presentation in the case of hyper-inflationary economies. In these circumstances, in order to reflect the loss of purchasing power of the functional currency in the financial statements, non-monetary items, shareholders' equity and those deriving from any contracts with clauses indexing to inflation, are remeasured, within the limits of their recoverable value, by applying

an inflation index that reflects the general price trend during the period of hyper-inflation. In addition, financial statements are translated into the functional currency of the consolidated financial statements by also converting non-monetary items and the income statement for the year at the exchange rate at the reporting date.
The exchange rates used to translate the financial statements of the main subsidiaries whose functional currency is different from the Euro are as follows:

	Arabian Emirates Dirham	Argentine Pesos	Australian Dollar	Switzerland Franc	Chile Pesos	Chinese Yuan	Colombian Pesos	Colon Costa Rica
	AED	ARS	AUD	CHF	CLP	CNY	COP	CRC
31.12.2024	3.82	1,070.66	1.68	0.94	1,034.13	7.58	4,587.16	529.10
Average 2024	3.97	989.12	1.64	0.95	1,020.41	7.79	4,405.29	558.04
31.12.2023	4.06	892.86	1.63	0.93	977.52	7.85	4,273.50	575.71

	Danish Krone	British Pound	Quetzal guatem.	Mexican Pesos	Malaysian Ringgit	Norway Krone	Nuevo Sol	Philippine Peso
	DKK	GBP	GTQ	MXN	MYR	NOK	PEN	PHP
31.12.2024	7.46	0.83	8.01	21.55	4.65	11.79	3.91	60.30
Average 2024	7.46	0.85	8.40	19.81	4.95	11.63	4.06	62.00
31.12.2023	7.45	0.87	8.64	18.72	5.08	11.24	4.08	61.28

	Polish Zloty	Romanian Lei	Saudi Arab.Riyal	Swedish Krona	Thai Baht	US Dollar	Franc CPF	Czech Koruna
	PLN	RON	SAR	SEK	THB	USD	XPF	CZK
31.12.2024	4.28	4.97	3.90	11.46	35.68	1.04	119.33	25.19
Average 2024	4.31	4.97	4.06	11.43	38.20	1.08	119.33	25.12
31.12.2023	4.34	4.98	4.14	11.10	37.97	1.11	119.33	24.41

	Vietnamese Dong	Indian Rupee
	VND	INR
31.12.2024	26,478.00	88.94
Average 2024	27,110.33	90.55
31.12.2023	26,808.00	

Relevant applicable accounting standards

General notes

The accounting standards adopted for the preparation of the Group's consolidated financial statements are consistent with those followed for the preparation of the prior year's financial statements, except for newly issued ones applicable from 1 January 2024 indicated below.

Business combinations

Business combinations are recognised in the financial statements in the following cases:

- the consideration transferred for the purchase of the equity investment is determined on the basis of the fair value of the assets transferred, the liabilities assumed, or the shares given to the seller to obtain control;
- the determination of the values of the assets and liabilities of the acquired company is carried out on a provisional basis until the activities to determine the fair values of the assets and liabilities are completed. In any event, these activities must be completed within 12 months of the acquisition, whereby the latter are counted from the date on which the acquisition took place and recorded for the first time. If, during the period in which the allocation is made on a provisional basis, values differ from those initially booked as a result of new information on facts and circumstances that existed at the date of acquisition, the values recorded are adjusted retroactively;

- ancillary expenses for business combinations are posted to the income statement in the period in which they are incurred;
- if the agreement with the seller envisages a price adjustment that varies according to the profitability of the business acquired, over a defined time period or at a pre-established future date (earn-out), the adjustment is included in the purchase price from the date of acquisition and is measured at fair value at the date of acquisition;
- on the date of purchase, the assets and liabilities, including potential ones, of the acquired company are recorded at their fair value on that date. In determining the value of such assets, the potential tax benefits applicable to the jurisdiction to which the acquired asset belongs are also considered;
- when the values of the assets, liabilities and contingent liabilities recorded differ from the corresponding values relevant for tax purposes at the date of purchase, deferred tax assets or liabilities are recorded;
- any residual difference between the consideration transferred for the purchase of the equity investment and the corresponding portion of the net assets acquired is posted to goodwill, if positive, or to the income statement if negative;
- the income components are included in the consolidated financial statements starting from the date control is acquired and up to the date when control is lost.

Property, plant and equipment

Real estate, consisting of land and buildings used for operating purposes, is initially recognised at purchase or realizable cost, including directly attributable ancillary costs necessary to bring the asset into use for the purpose for which it was purchased, and is subsequently measured at fair value, net of depreciation and impairment losses recognised after the revaluation date.
For the purposes of determining fair value, in accordance with IAS 16, the Group uses valuations prepared by leading independent third party experts. An update shall be conducted on a periodic basis, except in exceptional cases requiring annual review.
Increases in book value related to the valuation at fair value are recognised in the statement of comprehensive income and accumulated in a dedicated reserve in shareholders' equity net of related deferred taxation. Therefore, following the valuation from the appraisal, in order to align the asset's value with it, the historical cost at the reporting date is increased up to the amount of the restated net value of the asset.
Any impairment loss of a revalued asset is recorded in the income statement, for the amount exceeding the reserve for the same asset.
On disposal, the revaluation reserve relating to the asset sold is transferred to retained earnings.
Plant, machinery and other tangible assets are recorded at historical cost, including directly attributable ancillary costs necessary to bring the asset to working condition for the use for which it was purchased. This cost includes the cost of replacing part of the equipment and plant at the time they are incurred if they meet the recognition criteria.
Maintenance and repair costs, which are not likely to enhance and/or extend the residual life of the assets, are entered in the Income Statement for the period in which they are incurred, otherwise they are capitalised.
Depreciation is computed on a straight-line basis over the estimated useful life of the asset for the company, unchanged from the previous year, defined as follows:

	Useful life
Buildings	25-40 years
Lightweight constructions	10 years
Machinery	10 years
Industrial plants and equipment	4/6/10 years
Means of internal handling	5 years
Electronic office machines	5 years
Office furniture	8 years
Leasehold improvements	On the basis of the useful life or, if shorter, on the basis of the contractual duration

The residual value of the asset, useful life and depreciation methods applied are reviewed at the end of each year and adjusted prospectively, if necessary.
If significant parts of these tangible assets have different useful lives, these components are accounted for separately.
The book value of tangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is any such indication, and where the book value exceeds the estimated realizable value, the assets are written down to reflect their realizable value. Impairment losses are reversed if the reasons for which they were incurred no longer apply.

An asset should be removed from the balance sheet upon disposal or when no future economic benefits are expected from its use. The gain or loss on disposal (calculated as the difference between proceeds and carrying value) is recognised in the income statement in the year the asset is derecognised.

Leasing and Right of Use

Lease, rental and hire agreements, as of 1 January 2019, are recognised in accordance with IFRS 16, which defines principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for these agreements, whether operating or financial in nature based on a model similar to the financial model previously provided under IAS 17 for finance leases. The standard grants two exemptions for recognition by lessees - leases related to “low value” assets and short-term leases (e.g. leases with a duration of 12 months or less).
At the start date of the lease contract, a financial liability for lease payments (lease liability) equal to the present value of the contractual payments due - taking into account an average borrowing rate - is recognised, along with an asset of equal value, representing the right to use the underlying asset for the duration of the contract (the right of use of the asset). Interest on the lease liability and amortisation of the right of use of the asset over the contractual term is charged to the income statement.
Where a re-measurement of the lease liability becomes necessary (e.g. changes in the terms of the contract, changes in future payments or in the rate used to determine payments), the lease liability is re-measured using the discount rate applicable at the date of the change, adjusting the right of use of the asset by the same amount.
If the renegotiation leads to a reduction in the object of the lease, both the carrying amount of the financial liability and the right-of-use asset are reduced proportionally, with any resulting difference recognised in the income statement.
With regard to contracts for which the Group is the lessor (and not the lessee), the recognition method remains essentially unchanged from the previous accounting method in accordance with IAS 17, distinguishing between operating leases and finance leases.

Property investments

Property investments consist of real estate held for the purpose of earning rentals and/or for capital appreciation and not for use in the production or supply of goods or services or business administration.
Property investments are initially recognised at cost including ancillary acquisition charges and, in line with IAS 40, are subsequently measured at fair value, recognising in the income statement the effects of changes in the fair value in the period in which they occur.
Costs incurred relating to subsequent operations are capitalised on the book value of the property investment only when it is probable that they will produce future economic benefits and their cost can be reliably measured. Other maintenance and repair costs are charged to the income statement when incurred.
Property investments are eliminated from the financial statements when disposed of or when the investment is permanently unusable and no future economic benefits are expected from its disposal. Any gains or losses arising from the withdrawal or disposal of a property investment are recognised in the income statement in the period in which the withdrawal or disposal occurs.
In order to determine fair value, at the date of the financial statements, the Group relies on appraisals prepared by specifically commissioned independent third-party experts.

Intangible assets

Intangible assets are recognised as assets at purchase cost when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined. Intangible assets acquired through business combinations are recorded at fair value as defined at the date of acquisition, if such value can be reliably determined.
Intangible assets with definite useful life are amortised on a straight-line basis over their estimated useful life; the useful life is reviewed annually and any changes, where necessary, are made on a prospective basis.

The useful lives of the major classes of intangible assets with definite life are as follows:

	Useful life
Software	3/5 years
Concessions, licenses and trademarks	3/5 years
Development costs	3/5/7 years

Research costs are charged to the income statement in the period in which they are incurred.
Development costs incurred in connection with certain projects are capitalised only when the Group can demonstrate the technical feasibility of completing the intangible asset so as to make it available for use or sale, its intention to complete the asset for use or sale, the manner in which it will generate probable future economic benefits, the availability of technical, financial or other resources to complete the development and its ability to reliably estimate the cost attributable to the asset during its development.
During the development period, the asset is reviewed annually for impairment. Subsequent to initial recognition, development costs are measured at cost less accumulated amortisation or accumulated loss. Amortisation starts once development has been completed and the asset is available for use. The cost is amortised with reference to the period over which the related project is expected to generate revenues for the Group. During the period when the asset is not yet in use, the cost incurred will be reviewed annually for impairment.
With regard to IT projects, following the clarifications provided by the IFRIC Decision published in April 2021 with reference to the accounting of cloud computing contracts of the SAAS (software as a service), PAAS (platform as a service), and IAAS (infrastructure as a service) type, the Group applied IAS 38 and capitalised only the costs related to the development of an intangible asset that is clearly identifiable and under the unambiguous control of the Group. In the absence of the above-mentioned requirements, the costs were entered in the income statement on an accrual basis, as they were considered a pure service contract.

Impairment of non-current assets

The carrying amount of non-current assets is subject to an impairment test if specific indicators suggest doubts about the recoverability of their recorded value. The recoverability of the book value is verified by comparing the book value with the recoverable value, which is the greater of its fair value less costs to sell and its value in use.
The fair value, less costs to sell, is based on available data from recent transactions and/or market information, less increased costs related to the disposal of the asset. The calculation of value in use is based on a discounted cash flow model
The main assumptions used to calculate value in use regard the discount rate, the growth rate, and the forecast of operating cash flows; the latter are derived from the strategic plan approved by the Parent Company's Board of Directors and determine the terminal value (present value of the perpetual annuity).
When the book value of a non-current asset is impaired, the Group recognizes an impairment loss for the amount by which the book value of the asset exceeds its recoverable amount through use or sale. Subsequently, if the conditions that led to the loss in value cease to exist, the book value of the asset is increased up to the new estimate of its recoverable value, within the limit of previous write-downs.
The impairment test is approved by the Board of Directors of the Parent Company.

Equity investments in associated companies

An associate is a company over which the Group exercises significant influence. Significant influence is the power to participate in determining the financial and operating policies of the investee.
The considerations made in determining significant influence are similar to those needed to determine control.
The Group's shareholdings in associated companies are assessed using the equity method, whereby an investment in an associate is initially recorded at cost, and its carrying amount is increased or decreased to recognise the participant's share of the associate's profits and losses realised after the acquisition date, appropriately adjusted to eliminate the effect of any intra-group transactions. Any goodwill relating to the associate is included in the book value of the investment and is not subject to a separate impairment test.
The income statement for the year reflects the Group's portion of the operating result of the associated company. Any change in the other components of the comprehensive income statement relating to these investee companies is presented as part of the Group's comprehensive income statement. Furthermore, in the event that an associated company recognizes a change directly attributable to shareholders' equity, the Group recognizes its portion, where applicable, in the statement of changes in equity.
The aggregate portion attributable to the Group of the result for the year of associated companies is shown in the consolidated income statement for the year after the operating result and represents the result net of taxes and of the portions of the other shareholders of the associate.
After applying the equity method, the Group assesses whether it is necessary to recognize an impairment loss of its investment in the associated companies. At each reporting date, the Group assesses whether there is objective evidence of an impairment loss of the associated companies. In this case, the Group calculates the amount of the loss as the difference between the recoverable value of the associated company and its book value in its consolidated financial statements, recording this difference in the income statement under the item “share of result of associated companies”.

Upon loss of significant influence over an associated company, the Group assesses and recognizes the residual shareholding at fair value. Should the significant influence cease to exist, the difference between the book value of the equity investment and its residual fair value is posted to the income statement.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Initial recognition and valuation

Upon initial recognition, financial assets are classified according to the subsequent method of measurement, i.e. at amortised cost and at fair value in the income statement, as appropriate.
The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. With the exception of trade receivables that are valued at the transaction price determined according to IFRS 15, the Group initially values a financial asset at its fair value.

Subsequent valuation

For the purposes of subsequent valuation, financial assets are classified as follows:
- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value in the comprehensive income statement;
- Financial assets at fair value recognised in profit (loss) for the year.

Financial assets at amortised cost (debt instruments)

This category is the most relevant; the Group measures financial assets at amortised cost if both of the following requirements are met:
- the financial asset is held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows; and
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid.

Financial assets at amortised cost are subsequently valued using the effective interest criterion and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

Financial assets at fair value in the comprehensive income statement

Financial assets are measured at fair value through profit or loss, increased by any directly attributable ancillary costs of the transactions that generated them, if:
- the asset is held within a business model whose objective is achieved through both collecting contractual cash flows and selling the asset;
- the contractual terms of the financial asset provide for financial flows represented solely by payments of principal and interest on the amount of principal to be repaid.

In the subsequent measurement, the valuation made at the time of recognition is updated and any changes in fair value are recognised in the comprehensive income statement.

Financial assets at fair value recognised in profit (loss) for the year

Financial assets that are not classified in any of the previous categories (residual category) are classified in this category.
The assets belonging to this category are recognised at fair value at the time of their initial recognition. The ancillary costs incurred when recording the asset are immediately recognised in the consolidated income statement. In the subsequent measurement, financial assets are measured at fair value.

Inventories

Inventories are valued at the lower of purchase and/or production cost, determined using the weighted average cost method, and realizable value.
The purchase cost includes ancillary expenses relating to purchases during the year. The production cost includes directly attributable costs and a portion of indirect costs, reasonably attributable to the products.
Net estimated realizable value consists of the estimated selling price less estimated completion costs and estimated costs to make the sale.
The agreed considerations, if expressed in foreign currency, are calculated taking into account the exchange rates with which any foreign currency hedges have been carried out or, if not, at the year-end exchange rate; the same method is applied for costs expressed in foreign currency.

Cash and cash equivalents

Cash and cash equivalents and short-term deposits include cash on hand and demand and short-term deposits. Cash and cash equivalents are recorded in the financial statements at nominal value and at year-end exchange rates if denominated in foreign currency.

Share capital

Share capital is recorded at nominal value. Dividends paid to shareholders, if not yet paid, are recorded as a liability in the period in which they are approved.

Treasury shares

Treasury shares are recorded at cost and deducted from shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase value and the consideration, in the event of re-issue, is recorded in the share premium reserve. If share options are exercised during the period, they are satisfied with treasury shares.

Provisions for risks and charges

The Group assesses the risks existing at each financial statements date and monitors their developments during the year. Allocations to Provisions for risks and charges are made when the Group must fulfil a current obligation (legal or implicit) arising from a past event, when an outflow of resources in order to fulfil this obligation is probable and it is possible to make a reliable estimate of its amount. When the Group considers that a provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognised separately as an asset when, and only when, collection is practically certain. In this case, the cost of the provision, if any, is presented in the income statement net of the amount recognised for compensation.
If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a financial expense.

Product warranty provision

The provision for warranty service costs is recognised when the product is sold or the service is rendered to the customer. The starting assessment is based on historical experience; the initial cost projection for warranty-related interventions is reviewed annually.

Customer supplementary indemnity provision

The customer supplementary indemnity provision includes allocations made in the Parent Company for the payment of termination indemnities which, on the occurrence of the conditions laid down in article 1751 of the Italian Civil Code, as applied by current Collective Bargaining Agreements, must be paid to agents.
On an annual basis, the Parent Company calculates the agents' indemnities and assesses the Supplementary Indemnity Fund for clientele using actuarial techniques, considering the likelihood of paying indemnities and the expectations regarding the timing of disbursement, taking into account all financial and probabilistic components affecting the calculation, with actuarial gains and losses recognised in the income statement.

Provision for dismantling costs

The provision for decommissioning and remediation costs is allocated based on the present value of the expected costs to settle the bond, using estimated cash flows and a pre-tax discount rate that reflects the specific risks associated with the dismantling liability. The estimate of future dismantling and remediation costs is reviewed periodically to account for factors that may significantly affect the valuation.

Liabilities for employee benefits
Post-employment benefits are defined on the basis of plans which, according to their characteristics, are divided into defined-contribution plans and defined-benefit plans.
In the defined benefit plans, mainly represented by the Employee Severance Indemnity in Italy and pension funds in the United Kingdom, France and Germany, the amount recorded as a liability is equal to: (a) the present value of the defined benefit obligation at the reporting date; (b) plus any actuarial effects (gains or losses); (c) less any past service costs not yet recognised; (d) less the fair value at the reporting date of plan assets (in the United Kingdom) out of which the obligations are to be settled directly. In defined benefit plans, the cost charged to the income statement is equal to the algebraic sum of the following elements: (a) the pension cost related to current employment; (b) the financial expenses arising from the increase in the liability as a result of the passage of time; (c) the expected return on any plan assets; (d) the pension cost related to past employment; and (e) the effect of any curtailments or settlements of the plan.
Actuarial gains and losses are recognised in other comprehensive income statement. All net interest expense on defined benefit plans is recognised in financial income (expense) in the income statement.

Financial liabilities
Financial liabilities include financial payables and leasing liabilities.
Financial payables are initially recognised at fair value less directly attributable transaction costs.
Lease payables are initially recognised at the fair value of the capital goods covered by the contract, or, if lower, at the present value of the minimum payments due.
After initial entry, financial liabilities are valued at amortised cost; the difference between the initial entry value and the redemption value is posted to the income statement using the effective interest rate method.

Financial liabilities are derecognised when the obligation underlying the liability is discharged, cancelled or fulfilled.

Trade and other payables
Trade and other payables, whose due date falls within normal commercial terms typically within 12 months, are not discounted and are recorded at fair value (transaction cost). Subsequently, they are stated at amortised cost.

Revenues

Revenues from contracts with customers
The Group is engaged in providing commercial refrigeration equipment and related installation and after-sales services.

Sale of goods
Revenues from the sale of assets are recognised when control of the asset passes to the customer, based on contractually identified return specifications.
The Group considers whether there are other promises in the contract that represent obligations to do on which a portion of the transaction consideration must be allocated (e.g. installation, warranties).
In determining the price of the asset sale transaction, the Group considers the effects of the presence of variable consideration, significant financing components, non-cash consideration and consideration payable to the customer (if any).

Variable consideration
If the consideration promised in the contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the assets to the customer based on available information.
Variable consideration is valued at the time the contract is entered into and is not recognised until deemed highly probable.
Some contracts for the sale of goods provide customers with a right of return and volume discounts.
Return fees and volume discounts give rise to variable considerations that therefore require revenues to be adjusted based on the expectations arising from the variable fee.

Installation services
The Group provides installation services that are sold together with the sale of goods.
Contracts that provide both the sale of equipment and installation services are composed of a single obligation to do because the promises to transfer equipment and provide installation services cannot be distinguished and identified separately.
Customers who sign a contract including the installation service benefit from the asset only and exclusively after it has been installed and tested. In addition, the Group carries out the installation service with its own personnel or with third parties, which in any case remains its responsibility.
The Group recognises revenues from contracts including installation services when installation and testing are performed.

After-sales services
With reference to after-sales services, revenues are recognised on the basis of the performance of the service or on a time basis depending on whether the contract is on an "on-call" or "all-in" basis.

Warranties
The Group typically provides warranties for the repair of defects existing at the time of sale, as required by law. These quality standard guarantees are accounted for in a specific provision for risks; refer to the specific note on Provisions for risks and charges.

Government grants
Government grants are recognised when there is reasonable assurance that they will be received and that all conditions attached to them are met. Grants related to cost components are recognised as revenue, but are allocated systematically between periods so as to be commensurate with the recognition of the costs they are intended to offset. The grant related to an asset is recognised as revenue on a straight-line basis over the expected useful life of the asset to which it relates.

Lease income
Leases from property investments are recognised on a straight-line basis over the term of the leases in place at the reporting date and are classified as other revenue.

Costs
Costs for the purchase of goods and services are recorded when their amount can be reliably determined. Costs for the purchase of goods are recognised at the time of delivery, which, according to existing contracts, is the time when the related risks and benefits are transferred. Costs for services are recognised on an accrual basis when they are received.

Financial Income and Expenses
For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate, which is the rate that precisely discounts future cash receipts, estimated over the expected life of the financial instrument or over a shorter period, when necessary, than the net book value of the financial asset. Interest income is classified as financial income in the income statement.
Financial expenses are recognised as an expense in the period in which they are incurred. Financial expenses consist of interest and other costs incurred by the Group in connection with the receipt of loans.

Taxes

Current taxes
Current taxes for the year are recorded based on the amount expected to be paid to the tax authorities. The tax rates and tax laws used to calculate the amount are those enacted or substantially in force at the reporting date.
Current taxes relating to items recognised directly in equity are also recognised in equity.

Deferred taxes
Deferred taxes are calculated by applying the so-called "liability method" to the temporary differences at the date of the financial statements between the tax values of assets and liabilities and the corresponding values in the financial statements.
Deferred tax liabilities are recognised on all taxable temporary differences, with the following exceptions:
- deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- the reversal of taxable temporary differences related to investments in subsidiary and associated companies can be controlled, and it is probable that this will not occur in the foreseeable future.

Deferred tax assets are recognised against all deductible temporary differences and unused tax losses that can be carried forward, to the extent that it is probable that sufficient future taxable income will be available to allow the use of deductible temporary differences and tax credits and losses carried forward, except where:
- the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- in the case of deductible temporary differences related to investments in subsidiaries, associated companies, deferred tax assets are recognised only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow for the recovery of such temporary differences.

The book value of deferred tax assets is reviewed at each reporting date and reduced when it is no longer probable that sufficient taxable income will be available in the future to allow the full or partial use of such receivable. The unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent that it becomes probable that the taxable income will be sufficient to allow the recovery of these deferred tax assets.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be applied in the year in which said assets will be realised or said liabilities will be settled, considering the rates currently in force and those already enacted, or substantially in force, at the reporting date.
Deferred tax liabilities relating to items recognised outside the income statement are also recognised outside the income statement and, therefore, as shareholders' equity or in the comprehensive income statement, in line with the element to which they refer.
Deferred tax assets and deferred tax liabilities are offset if there is a legal right that allows compensation of current tax assets and current tax liabilities and the deferred taxes refer to the same taxpayer and the same tax authority.
Tax benefits acquired as a result of a business combination, but which do not meet the criteria for separate recognition at the date of acquisition, may be recognised subsequently, as new information on changes in facts and circumstances is obtained. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), if it is recognised during the measurement period, or in the income statement, if recognised subsequently.

Share-based payment plans

The Group recognises additional benefits to certain key executives through share-based payment plans and long-term incentive plans.
Specifically, on 26 September 2019, the Shareholders' Meeting of Epta S.p.A. approved a long-term incentive plan (2019-2022), providing for the free allocation of options to beneficiaries (stock options). For each year of the Plan (2019-2022), a certain number of options exercisable in portions equal to one-third from the following year and within a period of five fiscal years (2020-2027) were granted. Options not exercised in each year will be cumulative in subsequent years and exercisable by the end of the Plan term. If the options are exercised, the Plan provides for a cross put/call mechanism that enables the Parent Company to settle in cash the difference between the exercise price determined on the grant date and the Group's share price, as determined on the date the options are exercised.
During 2022, the Group changed the vehicle used up to the previous year; in particular, moving from using Stock Options to Performance Shares. This is a potential free allocation of a certain number of parent company shares, depending on the Group's ability to achieve one or more predefined results: depending on the level of achievement of these results, a proportional allocation of free shares may take place. The new model is based on three-year cycles, characterised by a "cliff" type scheme (in order to be entitled to the allocation of shares, one must be in force at the end of the three-year period, unless exceptions are set out in the regulation) and a vesting period that will take place within 6 months after the end of each three-year cycle (performance period). A 24-month lock-up period is also foreseen following the allocation for the CEO and key management personnel, concerning 40% of the shares allocated. Each year a new cycle commences, based on a rolling frequency: 2024 marked the inception of the third cycle (2024-2026), which includes awarding managers and/or key figures of the Group a specified number of rights to receive free shares, transforming into an equivalent number of shares upon achieving the outlined targets. Any partial attainment of the stated objectives will result in a partial allocation of shares with respect to the rights, even to the possible non-allocation of shares if the objectives are not attained even to the minimum extent (differentiated on the basis of each individual objective).
In accordance with the provisions of IFRS 2 "Share-based Payment", stock options and other similar share-based payment instruments in favour of employees are valued at fair value at the time of their assignment. At the end of each year, the fair value of options previously determined is not revised, but instead the estimate of the number of options that will vest up to maturity is updated. The accumulated costs recognised for these transactions at the end of each year up to the vesting date are commensurate with the maturity dates of the vesting period and the best available estimate of the number of options that will actually be exercised. The cost or revenue charged to the income statement for the period represents the change in fair value with respect to the mid-period value. No cost is recognised for rights that do not reach final maturity, except in the case of rights whose assignment is subject to market conditions.

Fair value measurement

The Group evaluates the following items at *fair value* at each financial statements date:
- property investments;
- land and buildings (classified under the item "Property, plant, and equipment");
- financial instruments;
- derivative financial instruments;
- potential consideration deriving from business combination operations;
- liabilities from defined benefit pension plans;
- liabilities from cash-settled share-based payments.

Fair value is the price that would be received for the sale of an asset, or that would be paid for the transfer of a liability, in a regular transaction between market participants on the valuation date. A fair value measurement assumes that the sale transaction of the asset or transfer of the liability takes place:
- in the main market of the asset or liability;

or:
- in the absence of a main market, in the most advantageous market for the asset or liability.

The main market or the most advantageous market must be accessible to the Group. The fair value of an asset or liability is valued by adopting the assumptions that market operators would use in the determination of price of the asset or liability, assuming that market operators act to best meet their own economic interest.
An assessment of the fair value of non-financial asset does not consider the ability of a market operator to generate economic benefits by making utmost use of the asset or by selling it to another market operator that would make the utmost and best use of it.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which the fair value is measured or recorded in the financial statements are categorised according to the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than the quoted prices included in Level 1, directly or indirectly observable for the asset or liability;
- Level 3 - valuation techniques for which the input data is not observable for the asset or liability.

The fair value measurement is entirely classified in the same level of the fair value hierarchy in which the input of the lowest level of hierarchy used for the valuation is classified.
Outside appraisers are involved in the valuation of significant assets such as real estate, land and buildings.
For reporting purposes related to fair value, the Group determines classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as described above.
Please refer to the dedicated paragraph for evidence of the fair value hierarchy.

Discretionary valuations and use of estimates

The preparation of financial statements requires the directors to make discretionary valuations, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and related disclosures, as well as the identification of contingent liabilities. Estimates and judgements are continually assessed based on historical experience and other factors, including expectations of future events deemed reasonable given the circumstances. The uncertainty inherent in the assumptions and estimates made could result in outcomes that will require a significant adjustment to the carrying value of these assets and/or liabilities in the future.
The principal financial statement items affected by the use of estimates and assumptions that could result in a material risk of resulting in a material adjustment to the book values of assets and liabilities within the next year are as follows:

Impairment of non-current assets

Recoverability of goodwill

Impairment occurs when the book value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The calculation of value in use is based on a cash flow discounting model and implies, with reference to goodwill, assumptions regarding the forecast of expected cash flows in the two CGUs (Cash Generating Units) identified, based on the guidelines defined in the strategic plan approved by the Parent Company's Board of Directors, the determination of an appropriate discount rate (WACC), and long-term growth rate (g).
As required by IAS 36, because the above CGUs include goodwill, the Parent Company performed an impairment test to determine that the book values related to the CGU assets are recorded in the financial statements at 31 December 2024 at a value that is not greater than their recoverable amount. Specifically, the Company recognizes goodwill of Euro 72.7 million in the consolidated financial statements at 31 December 2024.

Fair value of instrumental land and buildings

The Group accounts for its instrumental land and buildings at fair value, with changes in fair value recognised in the comprehensive income statement.
Appraisals are used on a periodic basis by independent third-party experts except for the need in some specific situations to have annual appraisals.

Employee benefits

The present value of the employee benefit liability depends on a number of factors that are determined by actuarial techniques using certain assumptions. These actuarial techniques require the development of assumptions about discount rates, future salary increases, turnover and mortality rates; due to the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty. Any change in the above assumptions could have a significant effect on the liability for retirement benefits.
The fair value relating to share-based payment plans is derived from a series of assumptions and accounting inputs, and is determined based on the change in the Group's value, according to the latest approved consolidated financial statements.

Deferred tax assets
The valuation of deferred tax assets is made on the basis of expected income in future years; the valuation of such expected income depends on factors that could change over time and have a significant effect on the valuation of deferred tax assets.

New accounting standards and interpretations

The Group has not proceeded with early adoption of any new standards, interpretations or amendments issued but not yet effective.

New accounting standards, interpretations and amendments endorsed by the European Union and adopted by the Group as of 1 January 2024

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB published Supplier Finance Arrangements, which amended IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures".
The amendments require entities to provide specific qualitative and quantitative information relating to supplier finance arrangements. The amendments also provide guidelines on the features of supplier finance arrangements.

Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)

On 22 September 2022, the IASB published amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (the Amendments).
Before the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that might include variable lease payments resulting from a sale and leaseback transaction. The amendments require that, in applying the following valuation requirements for lease liabilities
in a sale and leaseback transaction, the seller-lessee structures the leasing payments or "adjusted" leasing payments so that the seller-lessee neither realises a gain nor a loss regarding the right of use retained by the seller-lessee.
These amendments had no impact on the Group's consolidated financial statements.

Classification of liabilities between current and non-current, and non-current liabilities with covenants (Amendments to IAS 1)

In January 2020, the IASB issued amendments to IAS 1 regarding the "Classification of Liabilities between Current and Non-Current", followed by further amendments in October 2022 concerning "Non-Current Liabilities with Covenants".
The amendments clarify the following:

- An entity's right to defer the settlement of a liability for at least twelve months after the reporting period must be substantiated and must exist at the reporting period's close;
- Where an entity's right to defer the settlement of a liability is conditional upon covenants, those covenants affect the existence of the right at the end of the reporting period only if the entity is required to comply with the covenant at the end of or before the reporting period;
- The classification of a liability as current or non-current is not influenced by the likelihood that the entity will exercise its right to defer settlement;
- In situations where a liability may be settled, at the discretion of the counterparty, by transferring the entity's own equity instruments, the terms of settlement do not affect the classification of the liability as current or non-current, only if the option is classified as an equity instrument.

These amendments have no effect on the valuation of the items in the Group's consolidated financial statements.

New principles, interpretations, and amendments not yet effective

The IASB has released various principles, amendments to standards, and interpretations that will become effective in future accounting periods, which the Group has chosen not to adopt early.
The following amendments are effective as of the financial year beginning 1 January 2025:

- Lack of convertibility (Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates).

The following amendments are effective from the financial year starting 1 January 2026:

- Changes to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7).

The following amendments are effective from the financial year starting 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is currently evaluating the effect of these new accounting standards and changes.
Issued by the IASB in April 2024, IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 and will lead to significant consequential alterations in IFRS Accounting Standards, including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). While IFRS 18 does not affect

the recognition and measurement of items in consolidated financial statements, it could alter the presentation of certain items and their related disclosures; such changes might involve the categorisation of subtotals in the statement of financial position, the aggregation/disaggregation and labelling of information, and the inclusion and format of performance metric disclosures.

The Group does not expect to be eligible for the application of IFRS 19.

Notes to the Balance Sheet

Argentina — hyperinflationary economy: impacts deriving from the application of IAS 29

As of 1 July 2018, the Argentine economy is considered hyper-inflationary based on the criteria established by IAS 29 "Accounting reporting in hyper-inflationary economies" as a result of an assessment of qualitative and quantitative elements, including the presence of a cumulative inflation rate greater than 100% over the previous three years.

For the purposes of preparing these consolidated financial statements and in accordance with the provisions of accounting standard IAS 29, non-monetary items in the balance sheet of the subsidiary Epta Argentina S.A. have been remeasured by applying the general index of consumer prices to historical data, in order to reflect changes in the purchasing power of the Argentine peso at the reporting date.

The accounting effects of this remeasurement at the date of first-time application of this standard and subsequent remeasurements have been recognised as follows:

- The effect related to the remeasurement of these non-monetary items, equity items, as well as income statement components, carried out to take into account the change in the 2024 benchmark price index, has been recognised as an offsetting entry to an income statement item as financial income and expense. The related tax effect was recorded as current taxes for the year;
- In order to take account of the impact of hyper-inflation also on the exchange rate of the local currency, the income statement balances expressed in hyper-inflationary currencies have been converted into the Group's presentation currency by applying, as provided for by IAS 21, the final exchange rate rather than the average exchange rate for the period, in order to bring these amounts back to current values.

In 2024, the application of IAS 29 resulted in the recognition in the income statement of a total income (net of taxes) of Euro 4,653 thousand and a positive effect on equity for Euro 1,740 thousand. The effects of IAS 29 accumulated at 31 December 2024 are shown below (amounts in Euro thousands):

	Cumulative hyper-inflation effect at 31 December 2024	Cumulative hyper-inflation effect at 31 December 2023
Increase in assets	6,279	6,099
Reduction of liabilities	(114)	(1,180)
Increase in shareholders' equity (net of result)	1,740	(2,727)
Effect on result for the year	4,653	(2,192)

Turkey is also classified as having a hyperinflationary economy, and thus it falls within the scope of this principle. However, since the subsidiary prepares its financial statements in Euros, no adjustment was necessary.

Note 1 Property, plant and equipment

Property, plant and equipment at 31 December 2024 and 2023 consisted of the following:

(Euro thousands)	31.12.2024			31.12.2023			Net change
	Gross Value	**Accumulated depreciation**	**Net Value**	Gross Value	Accumulated depreciation	Net Value	
Land and buildings	241,838	(90,374)	151,464	218,684	(82,365)	136,319	15,145
Plants and machinery	214,219	(163,617)	50,603	205,616	(153,024)	52,592	(1,989)
Industrial and commercial equipment	84,407	(75,605)	8,802	82,304	(73,441)	8,863	(60)
Other assets	22,177	(17,752)	4,425	19,874	(14,837)	5,036	(611)
Assets in progress and advances	17,000	-	17,000	14,859	-	14,859	2,141
Total	**579,641**	**(347,347)**	**232,294**	**541,336**	**(323,668)**	**217,668**	**14,626**

The analysis of net changes in fixed assets:

Net Value	Opening	Increases	Decreases	Fair Value	Exchange rate differences	Reclassifications	Other changes	Closing
Land and buildings	136,319	5,800	(141)	11,100	1,175	(2,788)	-	151,464
Plants and machinery	52,592	2,044	(11,231)	-	293	11,348	(4,442)	50,603
Industrial and commercial equipment	8,863	-	(2,306)	-	1	2,134	110	8,802
Other assets	5,036	-	(1,236)	-	45	650	(70)	4,425
Assets in progress and advances	14,859	13,376	(31)	-	23	(11,344)	117	17,000
Total	**217,668**	**21,220**	**(14,945)**	**11,100**	**1,536**	**-**	**(4,285)**	**232,294**

The majority of investments were focused on the three strategic areas of Operations (71%) and R&D (12%) and involved:

- Investments in the production lines at the Hendaye (FR) plant of about Euro 3 million;
- Investments for the adaptation of logistics warehouses at the Casale Monferrato production site amounting to Euro 1 million;
- Investments in the production lines at the Limana plant (Italy) for Euro 1 million;
- Investments in the production lines at the Kysor Warren (USA) plant for about Euro 6 million;
- Expansion of the production site in Kysor Warren Mexico (Mexico) for about Euro 3 million;
- Expansion of the production site in Epta Istanbul (Turkey) for about Euro 5 million.

Investments in the research and development area essentially refer to the purchase of material aimed at the design and industrialisation of refrigeration counters and plants.
On 31 December 2024, qualified independent external appraisers assessed the land and buildings listed as “Property, Plant and Equipment” using market criteria, resulting in a fair value estimation of Euro 13,390 thousand, chiefly due to the re-evaluated appraisal of the plant located in Turkey.
The column labeled “Decreases” primarily represents the disposal of assets related to the sale of the Misa brand refrigeration business unit.
The column “Other movements” primarily includes the effect of Argentine hyperinflation.

Note 2 Right of Use

The item “right of use” includes leases as a result of the application of IFRS16:

(Euro thousands)	31.12.2024 Net Value	31.12.2023 Net Value	Net change
Right of use	57,499	55,715	1,784
TOTAL	**57,499**	**55,715**	**1,784**

Changes in right of use and accumulated amortisation are analysed as follows:

(Euro thousands)	Opening	Increases	Amortisation/depreciation	Exchange rate differences	Other changes	Closing
Right of use	55,715	8,125	(6,224)	(117)		57,499
Total	**55,715**	**8,125**	**(6,224)**	**(117)**	**-**	**57,499**

Increases primarily relate to new leases of office buildings and cars and vehicles for the business.

Note 3 Property investments

This item includes the non-instrumental building owned by the subsidiary Epta Rack SA (Sermaises - France), which is currently partially leased.

(Euro thousands)	Opening	Increases	Decreases	Fair Value	Other changes	Closing
Property investments	1,430	-	-		-	1,430
Total	**1,430**	**-**	**-**			**1,430**

Note 4 Goodwill and other intangible assets with indefinite life

Goodwill at 31 December 2024 amounted to Euro 72,852 thousand (Euro 72,724 thousand at 31 December 2023). The amount was acquired for consideration through business combinations and was allocated for impairment testing purposes to the cash generating units (CGUs) of the “Retail” and “Food and Beverage” segments according to the following breakdown:

Sector (Euro/000)	**31.12.2024**	31.12.2023	Change
Retail	43,112	42,984	128
Food and Beverage	29,740	29,740	-
Total	**72,852**	**72,724**	**128**

The variation over the year is due to the exchange rate impact on goodwill recorded in currencies other than the Euro. Goodwill is subject to an impairment test at the reporting date. The Group has therefore subjected the Net Invested Capital (NIC) to a recoverability test, broken down by CGU; the NIC includes the value of goodwill.
The recoverable amount of the CGUs was determined through value in use, applying the Discounted Cash Flows model, based on the expected cash flows over the explicit period of four years based on the forecasts prepared by management and contained in the Strategic Plan, approved by the Company's Board of Directors, in addition to considering the terminal value. For the purpose of determining the recoverable amount of the NIC, the cash flows were discounted using a rate (WACC) that takes into account the specific risks of the business and the country risk, and reflects current market assessments of the cost of money. The calculation of the weighted average cost of capital led to the identification of the following WACCs:

- 7.95% for the Euro area;
- 8.87% for the non-Euro European area;
- 8.88% for the North America area;
- 11.05% for the South America area (excluding Argentina);
- 16.70% for Argentina alone;
- 6.80% for the *Apac* area;
- 8.50% for the Oceania area (excluding New Caledonia);
- 12.72% for New Caledonia alone.

The recoverable amount also includes the Terminal Value of the cash flows, which was calculated considering a growth rate (“g” rate) of 2%, based on considerations on the business development of the CGUs considered. The Terminal Value considers an operating cash flow based on the last year of the plan (2028), appropriately adjusted to reflect an “operational” situation.
The impairment test carried out, approved by the Company's Board of Directors on 28 February 2025, did not reveal any impairment loss, as the value in use was higher than the book value.
Finally, a sensitivity analysis was carried out on the results of the test in relation to changes in basic assumptions (WACC, “g” rate and EBITDA at “steady state”). This sensitivity analysis revealed, with reference to the various CGUs, that the value remained stable despite significant deviations in one or more of the assumptions on which the model is based; no impairment losses were detected even using a WACC increased by 1% while keeping all other assumptions unchanged; no impairment losses were detected even when considering growth rates of 0, maintaining all other assumptions unchanged.

Note 5 Intangible assets

Intangible assets at 31 December 2024 and 31 December 2023 are as follows:

(Euro thousands)	31.12.2024 Net Value	31.12.2023 Net Value	Net change
Development costs	7,738	4,199	3,540
Industrial patent and intellectual property rights	745	5,548	(4,802)
Concessions, licenses and similar rights	3,483	3,756	(273)
Assets in progress and advances	6,039	5,589	450
Other intangible assets	368	213	155
Total	**18,373**	**19,305**	**(932)**

The analysis of the movement of intangible assets is as follows (amounts in Euro thousands):

Net Value (Euro/000)	Opening	Increases	Decreases	Reclassifications	Exchange rate differences	Other changes	Closing
Development costs	4,199	-	(1,308)	4,837	11	-	7,738
Industrial patent and intellectual property rights	5,548	112	(176)	(4,910)	22	149	745
Concessions, licences and similar rights	3,756	-	(1,449)	1,167	26	(18)	3,483
Assets in progress and advances	5,589	1,327	(315)	(633)	2	67	6,039
Other intangible assets	213	149	-	-	11	(6)	368
Total	**19,305**	**1,588**	**(3,248)**	**462**	**73**	**193**	**18,373**

The rise in development expenses was primarily due to capitalising the costs of personnel involved in specific projects aimed at continually enhancing the energy and environmental performance of Epta's products, while continuing to pursue innovative solutions in line with the Group's history and the market's growing need for efficient and sustainable products.
ICT investments for the strategic development of IT systems also continued (about Euro 3 million in 2024).
The column “Other movements” primarily includes the effect of Argentine hyperinflation.

Note 6 Investments

The item Equity investments at 31 December 2024 amounts to Euro 251 thousand (Euro 487 thousand at 31 December 2023).
Changes in investments are shown below:

Net Value	Opening	Increases	Decreases	Exchange rate differences	Reclassifications	Other changes	Closing
Investments in subsidiaries	-	-	-	-	-	-	-
Investments in associated companies	-	-	-	-	-	-	-
Other investments	487	-	(157)	(79)	-	-	251
Total	**487**	**-**	**(157)**	**(79)**	**-**	**-**	**251**

The change for the year is related to the sale of the minority interest in F.R. – Frio e Refrigeracao Lda.

Note 7 Non-current derivative financial instruments

As at 31 December 2024, the Group holds IRS derivative financial instruments to hedge against the risk of interest rate variations on loans for a net value of Euro 126 thousand (Euro 398 thousand as at 31 December 2023), with Euro 165 thousand classified as non-current assets and Euro 38 thousand classified as non-current liabilities.

(Euro thousands)	31.12.2024	31.12.2023	Change
Derivative financial instruments - non-current	165	373	(209)
Total	**165**	**373**	**(209)**

At 31 December 2024, the following contracts are in place to hedge interest rate risk:

1. an “amortising” Interest Rate Swap with BNL BNP Paribas for a notional amount of Euro 10,000 thousand maturing on 26 June 2027. The residual notional amount at 31 December 2024 is Euro 5,000 thousand; its fair value is positive by Euro 165 thousand;
2. an amortising Interest Rate Swap with BNL BNP Paribas for a notional amount of Euro 10,500 thousand maturing on 25 November 2032. The residual notional amount at 31 December 2024 is Euro 10,500 thousand; its fair value is negative by Euro 38 thousand.

It should be noted that for both the aforementioned contracts, the hedging is equal to 100% of the residual value of the outstanding debt of the underlying loan.
The fair value was calculated considering the market parameters at the date of the financial statements and using valuation models widely used in the financial sector.

Note 8 Other non-current assets

As at 31 December 2024, other non-current assets totalled Euro 6,007 thousand (Euro 1,106 thousand as at 31 December 2023); this item comprises exclusively medium- to long-term prepayments to be reversed after 31 December 2025.

Note 9 Deferred tax assets

Deferred tax assets mainly include the effect of tax losses and deductible temporary differences emerging between the book values and the corresponding tax values at the end of the year.
Details of the balance are as follows:

(Euro thousands)	31.12.2024	31.12.2023	Change
Inventory obsolescence provision	2,833	2,484	349
Provision for doubtful accounts	485	1,015	(530)
Provisions for risks and charges	2,304	2,394	(90)
Employee benefits	4,016	3,145	871
Tax losses	11,018	9,618	1,400
Tangible assets	6,640	6,260	380
Ifrs16	7,613	4,627	2,986
Other	3,156	3,725	(569)
Total	**38,065**	**33,267**	**4,799**

Deferred tax assets, including those relating to tax loss carry-forwards, have been recorded considering the likelihood of their future recovery on the basis of the Group's projected results, which indicate the existence of income not less than the amount of the differences to be offset.

Note 10 Other non-current financial assets

As at 31 December 2024, other non-current financial assets amounted to Euro 1,463 thousand (Euro 814 thousand as at 31 December 2023) and relate to Euro 806 thousand in security deposits paid by Group companies and Euro 657 thousand to the USD-denominated bond loan subscribed by Epta Argentina S.A. issued by the Argentine government to provide the companies with an instrument to pay foreign debt originated before 13 December 2023. Epta Argentina S.A. acquired them in order to pay the debt to external and intragroup suppliers in hard currency on the maturity date of this bond loan, with these debts having been incurred before that date.

Note 11 Inventories

Inventories at 31 December 2024 and 31 December 2023, shown net of the inventory write-down provision, are as follows:

(Euro thousands)	Gross Value	Inventory write-down provision	Net Value
Raw, ancillary and consumable materials	106,815	(12,998)	93,817
Work in progress and semi-finished products	92,295	(404)	91,891
Finished products and goods	130,710	(8,306)	122,404
Inventories at 31.12.2024	**329,820**	**(21,708)**	**308,111**
Raw, ancillary and consumable materials	113,144	(9,925)	103,219
Work in progress and semi-finished products	89,586	(652)	88,934
Finished products and goods	129,859	(8,564)	121,295
Inventories at 31.12.2023	**332,590**	**(19,141)**	**313,448**

The value of inventories is substantially in line with the previous year.
Changes in the inventory obsolescence provision are as follows:

(Euro thousands)	Opening	Increases	Use	Release	Other changes	Closing
Obsolescence provision	(19,141)	(10,909)	2,737	5,420	184	(21,708)
Total	**(19,141)**	**(10,909)**	**2,737**	**5,420**	**184**	**(21,708)**

Note 11 Trade receivables

Trade receivables at 31 December 2024 and 31 December 2023, net of the related provision, consisted of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Customers	360,496	385,465	(24,970)
Provision for doubtful accounts	(11,015)	(11,135)	120
Total	**349,480**	**374,330**	**(24,850)**

The value of average collection period during the year 2024 was 78 days (87 days in 2023), with a progressive tendency towards improvement.
Thanks to this significant reduction in actual collection times, the trade receivables balance as at 31 December 2024 was lower than in the previous year, despite higher sales volumes.
The movement in the provision for doubtful accounts is shown below:

(Euro thousands)	Opening	Increases	Use	Release	Other changes	Closing
Provision for doubtful accounts	(11,135)	(4,327)	46	4,465	(64)	(11,015)
Total	**(11,135)**	**(4,327)**	**46**	**4,465**	**(64)**	**(11,015)**

Note 13 Other current financial assets

As at 31 December 2024, other current financial assets amounted to Euro 6,434 thousand (Euro 4,895 thousand on 31 December 2023) and mainly concern temporary liquidity investments made by the parent company Epta S.p.A. in investment certificates for Euro 1,658 thousand and a receivable from the subsidiary Kysor Warren Mexico towards Simest for the portion of the share capital increase still to be paid, for Euro 3,850 thousand (equivalent to USD 4 million). For more information on the transaction, see Note 19 Financial Debts and Medium to Long-Term Liabilities.

Note 14 Tax receivables

Tax receivables at 31 December 2024 and 2023 consist of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Receivables for VAT	15,578	13,144	2,434
Other tax receivables	7,356	8,497	(1,141)
Total	**22,934**	**21,641**	**1,294**

Other tax receivables mainly relate to the parent company's tax credits for excess IRES advance payments made in previous years and tax credits for investments.

Note 15 Other current assets

Other current assets at 31 December 2024 and 31 December 2023 consisted of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Receivables from social security institutions	203	187	16
Accrued and deferred assets	11,786	12,701	(916)
Other assets	8,634	10,748	(2,114)
Total	**26,618**	**23,637**	**(3,014)**

Accruals and deferrals refer to revenues and costs, the competence of which is anticipated or deferred with respect to the financial event. Other assets mainly include advances to suppliers.

Note 16 Current derivative financial instruments

(Euro thousands)	31.12.2024	31.12.2023	Change
Derivative financial instruments - current	8	674	(666)
Total	**8**	**674**	**(666)**

The Group holds forward currency sales contracts to hedge the risks arising from exchange rate fluctuations, the valuation of which is charged to the income statement.
As at 31 December 2024, these contracts are recorded as a liability with a total value of Euro 881 thousand. Of this, Euro 8 thousand is recognised as a short-term asset, and Euro 889 thousand is accounted for as a short-term liability.
The following is a summary of the main contracts in place and their countervalue at year-end, relating to the parent company:

Company	Currency	*notional amount in currency (thousands)*	*subscription date*	*expiry date*	*countervalue in local currency*	*Local currency*	*countervalue as at 31.12.2024*	*Local currency*
Epta S.p.A.	USD	19,000	08-Nov-24	07-Feb-25	17,624	EUR	18,289	EUR
Epta S.p.A.	USD	5,000	08-Nov-25	07-Feb-25	4,638	EUR	4,813	EUR
Epta S.p.A.	USD	3,000	08-Nov-25	07-Feb-25	2,773	EUR	2,888	EUR
Epta S.p.A.	AUD	1,500	08-Nov-25	07-Feb-25	913	EUR	894	EUR
Epta S.p.A.	NOK	590	08-Nov-25	07-Feb-25	49	EUR	50	EUR
Epta UK	EUR	(9,000)	05-Dec-24	20-Jan-25	(7,494)	GBP	(7,463)	GBP
Epta Qingdao	USD	12,000	31-Dec-24	27-Jan-25	87,283	CNY	87,593	CNY
Iarp Asia	USD	6,000	30-Dec-24	30-Jan-25	202,800	THB	206,041	THB
Epta Chile	EUR	(4,500)	23-Dec-24	30-Jan-25	(4,657,095)	CLP	(4,477,736)	CLP

Note 17 Cash and cash equivalents

Cash and cash equivalents at 31 December 2024 amounted to Euro 195,179 thousand (Euro 129,765 thousand at 31 December 2023), an increase of Euro 65,414 thousand during the year.
Please refer to the notes to the cash flow statement for more details regarding the change for the year.

Note 18 Shareholders' equity

Shareholders' equity amounted to Euro 532,682 thousand (Euro 491,722 thousand at 31 December 2023). Compared to the previous year, this item increased by Euro 40,960 thousand. Reference should be made to the statement of changes in equity and the reconciliation of equity for further details.

Share capital

The share capital of the Parent Company at 31 December 2024, equal to Euro 68,998 thousand, is divided into 137,996,000 ordinary shares without par value.

Reserves

Details of this item, amounting to Euro 83,874 thousand, are provided below:

Legal reserve

The legal reserve, equal to 20% of the capital, amounted to Euro 13,800 thousand at 31 December 2024.

Revaluation reserve

The item amounting to Euro 22,454 thousand was generated as a result of the legal revaluations carried out over the years by the former subsidiaries Costan S.r.l. and Eurocryor S.r.l., which were subsequently merged by incorporation into the Parent Company.

Extraordinary reserve

The extraordinary reserve (Euro 28,911 thousand at 31 December 2024) increased by Euro 33,789 thousand following the allocation of the previous year's result as resolved by the Shareholders' Meeting on 7 May 2024.

Reserve for purchase of treasury shares

The reserve for purchase of treasury shares at 31 December 2024 amounted to Euro 3,521 thousand and remained unchanged compared to the previous period.

Treasury shares reserve

At 31 December 2024, treasury shares in portfolio amounted to Euro 5,598 thousand and were recorded as a “negative reserve” in the shareholders' equity items. The reserve did not change from the previous period.

Other reserves

This item, amounting to Euro 288,998 thousand at 31 December 2024, includes:

Reserve for retained earnings and translation reserve

The reserve for retained earnings at 31 December 2024, including the translation reserve, amounted to Euro 217,957 thousand.

Fair value reserve for land and buildings

The fair value reserve for land and buildings at 31 December 2024 is Euro 72,342 thousand.

Cash Flow Hedge Reserve

As at 31 December 2024, the Cash Flow Hedge reserve amounted to Euro 96 thousand, reflecting the gains or losses from the effective portion of hedging instruments recorded at fair value as part of an appropriate cash flow hedge.

Reserve for Employee Benefits

The reserve for employee benefits at 31 December 2024 is negative by Euro 4,461 thousand.

Stock Grant reserve

The reserve, set up in 2022, refers to the valuation of the stock grant plan set up in favour of certain employees and amounts to Euro 3,064 thousand.

The following is a reconciliation of the parent company's equity and results to the consolidated equity and results.

Reconciliation of statutory/consolidated shareholders' equity	31.12.2024	
	Shareholders' equity	Result
Parent Company	216,152	24,582
Equity and results of consolidated companies	818,649	49,415
Elimination of the value of investments	(551,381)	
Elimination of dividends		(29,026)
Minority shares	38,985	(1,582)
Elimination of intercompany profits and consolidation adjustments	10,277	6,969
Total Group shareholders' equity	**532,682**	**50,245**

Minorities' equity

As at 31 December 2024, the portion of shareholders' equity attributable to third parties totalled Euro 38,985 thousand (compared to Euro 38,677 thousand at 31 December 2023) and was related to Iarp Service Co Ltd and the companies included in the scope of the Epta CNE joint venture, which is 70% owned.

Note 19 Medium/long-term financial payables

Medium- to long-term financial payables at 31 December 2024 and 31 December 2023 consisted of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Long-term financial payables	131,713	154,394	(22,681)
Bonds	28,877	27,149	1,727
Medium/long-term lease payables	40,015	38,056	1,959
Total	**200,604**	**219,599**	**(18,995)**

Medium/long-term financial payables include the portion of loans currently due after one year.
The reduction in medium- and long-term financial debts is a consequence of the repayment instalments according to the amortisation plan for already existing debts.
Included in this item is the liability of the parent company Epta S.p.A. to Simest S.p.A. for Euro 9,626 thousand, which acted in accordance with Law 100/90 to aid Epta S.p.A.'s investment in the capital increase of Kysor Warren de México S. De R.L. De C.V.
In December 2024, the Mexican subsidiary resolved on a capital increase totalling Euro 25 million, with Epta S.p.A. subscribing to 60% and Simest S.p.A. to 40%, inclusive of a share from a Venture Capital Fund. In fact, the investment agreement entered into by Epta S.p.A. and Simest in 2024 stipulated Simest's participation in the capital increase and, after a period of four years, the subsequent transfer of its stake to Epta S.p.A.
As at 31 December 2024, the payment already made by Simest is Euro 6 million, including the Venture Capital Fund share; the remaining Euro 4 million will be paid during the year 2025.
The amount of Euro 9,626 thousand reflects the Euro equivalent of Epta S.p.A.'s commitment to repurchase under the contract's conditions.
This transaction, for the Group, represents solely a financial transaction.
Medium/long-term bank loans are not secured by real guarantees, with the exception of the loan from Jyske Bank taken out by the Danish subsidiary Epta Refrigeration Denmark A/S (formerly Knudsen Koling A.S.), the residual debt of which at 31 December 2024 amounted to Euro 1,278 thousand and matures on 30 September 2034.
Most of the outstanding loans are denominated in Euro, at fixed rates.

	2026	2027	2028	2029	beyond	Total
Long-term financial payables	58,729	25,290	32,024	22,257	21,974	**160,589**

In the Group's non-current loans, there are loans totalling Euro 158 million that contain financial covenants. If these covenants are not complied with, it would result in the loans becoming repayable on demand. The latter are otherwise due more than 12 months after the closing date of the reporting period.
The primary financial covenants included in the aforementioned loan agreements, with respect to the figures in the consolidated financial statements, are as follows:

- Net Financial Position/Ebitda ratio ≤ 3 (the resulting value as at 31 December 2024 is 0.62);
- Net Financial Position / Shareholders' Equity ratio ≤ 1 (the resulting value as at 31 December 2024 is 0.18);
- Ebitda / Net Financial Expense ratio ≥ 5 (the resulting value as at 31 December 2024 is 14.75).

As at 31 December 2024, the Group was in compliance with all covenants. Covenants that must be complied with after the financial year-end date do not affect the classification of the related loans as current or non-current on the financial statements date. Therefore, all these loans remain classified as non-current liabilities.
The “Bonds” item refers to a bond amounting to approximately USD 29 million, maturing in 2026, finalised on 18 April 2019 through the placement of securities with Pricoa Capital Group – a company of the US Prudential Financial Group (a company active in the private placement market). The issuance (in USD) is related to the acquisition of Kysor Warren, which was completed on 29 March 2019. The framework agreement provides for the possibility for the Epta group to place additional bond issues, up to a total amount of USD 150 million (or Euro equivalent).

Note 20 Non-current derivative financial instruments

(Euro thousands)	31.12.2024	31.12.2023	Change
Non-current derivative financial instruments	38	-	38
Total	**38**	**-**	**38**

The value refers to the valuation at 31 December 2024 of an IRS contract.
For further details, see Note 7 Non-current financial instruments.

Note 21 Liabilities for employee benefits

The liability relating to the Group's defined benefit plans, determined on an actuarial basis using the projected unit credit method, is recorded in the financial statements, net of the fair value of any plan assets.
In the event that the fair value of the plan assets exceeds the value of the post-employment benefit obligation and the Group has the right to reimbursement or the right to reduce its future contribution to the plan, this excess is recognised as a non-current asset in accordance with the criteria set out in IAS 19.
The following table shows a comparison with the previous year:

(Euro thousands)	31.12.2024	31.12.2023	Change
Liabilities for employee benefits	23,775	24,527	(751)
Total	**23,775**	**24,527**	**(751)**

The Parent Company's defined benefit plans essentially relate to the Employee Severance Indemnity (TFR). Employee severance indemnities include amounts due to employees and not transferred to supplementary pension schemes or to the Treasury Fund set up at INPS. As the TFR is identified as a type of defined benefit plan within the scope of IAS19, it is subject to actuarial valuation to express the current value of the benefit payable at the end of the employment relationship that employees have accrued at the reporting date.
The foreign defined benefit plans of the consolidated companies relate to defined benefit pension schemes present mainly in France, Germany, the United Kingdom and Mexico.
Liabilities relating to the Group's defined benefit plans, determined on an actuarial basis using the 'projected unit credit' method, are recorded in the financial statements, net of the fair value of plan assets in the United Kingdom that are comprised of investments in asset classes such as diversified growth funds.

The composition of and changes to defined benefit plans are shown below (amounts in Euro thousands):

	31.12.2024	31.12.2023	Changes
Breakdown of liabilities for employee benefits	24,527	24,704	(177)
Cost related to current services	(270)	711	(981)
Financial expenses	774	930	(156)
Actuarial (gains)/losses	(517)	1,247	(1,765)
Benefits paid	(1,078)	(2,815)	1,738
Currency conversion differences	140	117	23
Gross present value of the obligation at year-end	**23,575**	**24,894**	**(1,319)**
Other employee benefits	200	(367)	567
Total liabilities for employee benefits	**23,775**	**24,527**	**(752)**

The cost related to current benefits is recognised in the financial statements as personnel costs while actuarial gains and losses are recognised in the comprehensive income statement.
The main assumptions used in the actuarial calculation to estimate the liability are summarised in the following table:

	31.12.2024	31.12.2023
Discount rate	2.78% - 10.20%	3.17% - 9.60%
Expected return on pension fund assets	up to 2.25%	up to 2.25%
Average rate of increase in wages and salaries	2.00% - 7.00%	2.00% - 8.00%

The total actuarial gain arising from valuations on defined benefit plans has been recognised in the comprehensive income statement.
The following is a quantitative analysis of the sensitivity at 31 December 2024 of the defined employee benefit liability assuming reasonable changes in key assumptions at the reporting date.

	Total	Change
Discount rate +0.50%	17,736	(1,702)
Discount rate +0.25%	17,870	(1,568)
Discount rate -0.25%	20,993	1,554
Discount rate -0.50%	21,330	1,892

Note 22 Provisions for risks and charges

At 31 December 2024, provisions for risks and charges amounted to Euro 22,076 thousand (Euro 24,348 thousand at 31 December 2023), and represent the best possible estimate of the liabilities to which the Group may be required to respond in the future taking into account current information. The details are as follows:

(Euro thousands)	Warranty provision	Customer supplementary indemnity provision	Other provisions	Total
Opening	**10,178**	**646**	**13,525**	**24,348**
Increases	2,415	117	4,445	6,977
Use	(1,156)	(84)	(2,863)	(4,103)
Release	(1,414)	(53)	(4,888)	(6,355)
Other changes	(109)	(47)	1,365	1,209
Closing	**9,913**	**579**	**11,584**	**22,076**

The characteristics of existing risk provisions are listed below.

Product warranty provision

The product warranty provision represents the estimated cost of technical assistance to be provided on products sold during the contractual warranty period. These costs are provided for on the basis of analyses and estimates relating to the past, taking into account the assets covered by the contractual warranty, and to potential risks deriving from the technical characteristics of the products.

Customer supplementary indemnity provision

The Customer supplementary indemnity provision related to the Parent Company includes allocations made with respect to potential risks for the payment of termination indemnities which, on the occurrence of the conditions laid down in article 1751 of the Italian Civil Code, as applied by current Collective Bargaining Agreements, must be paid to agents.

Others

Other provisions mainly include the provision for charges relating to environmental remediation costs for the removal of asbestos from the building of Epta France located in Hendaye and provisions for litigation, non-cold weather and non-compliance.

Note 23 Deferred tax liabilities

Deferred tax liabilities include the tax effect of temporary taxable differences arising between the book values and the corresponding tax values at the end of the year.
The nature of taxable temporary differences that resulted in deferred tax liabilities is as follows:

(Euro thousands)	31.12.2024	31.12.2023	Change
Tangible assets	15,616	13,997	1,619
Ifrs16	7,409	4,347	3,062
Other	1,855	2,936	(1,081)
Total	**24,880**	**21,280**	**3,600**

Note 24 Other non-current liabilities

The item Other non-current liabilities amounts to Euro 981 thousand (Euro 1,889 thousand as at 31 December 2023). The amount mainly refers to the long-term portion of deferred liabilities on service contracts (Euro 965 thousand).

Note 25 Short-term financial payables

Details of the balance at 31 December 2024 and 31 December 2023 are as follows:

(Euro thousands)	31.12.2024	31.12.2023	Change
Current portion of long-term financial payables	21,220	56,373	(35,154)
Short-term payables to banks and loans	56,199	33,709	22,490
Short-term lease payables	18,075	17,174	901
Total	**95,494**	**107,256**	**(11,762)**

The reduction in short-term financial debts is a result of improved working capital management; for further details, please refer to the comment on the net financial position provided in the Report on Operations.
For details of medium- and long-term loans, see Note 19 Medium- and long-term payables.
Short-term financial payables include the short-term portion of the payable for lease contracts following the application of accounting standard IFRS16.

Note 26 Trade payables

The book value of trade payables is representative of their fair value.
Trade payables at 31 December 2024 amounted to Euro 243,597 thousand (Euro 227,407 thousand at 31 December 2023) and represent the Group's payables to third parties for the supply of goods and services.

(Euro thousands)	31.12.2024	31.12.2023	Change
Payables to suppliers	243,594	227,407	16.1987
Total	**243,594**	**227,407**	**16,187**

This item includes invoices to be received at the reporting date.
There are no agreements with special clauses underlying the trade payables that would result in reclassifications in the net financial position or require discounting of the amount recognised in the financial statements.
The Group implemented a sustainable supply chain financing programme in 2024, which was activated with reference to the parent company, Epta S.p.A. The participation of suppliers in this programme is voluntary. Suppliers choosing to participate in the programme can receive upfront payments on a non-recourse basis from a leading credit institution partner, for invoices issued to the Group.
Suppliers, directly engaging with the financial institution, have the discretion to decide if, when, and which invoices they want to be advanced, by picking them directly on the financial institution's dedicated platform. To this end, they find on the

platform all their invoices that have already been uploaded there by the Group after verifying that the goods or services have been received and that the related invoices have been approved.
For this upfront payment service, the Group does not incur any costs nor provide any guarantees to the financial institution.
Regardless of upfront payment, the Group is charged by the financial institution for the total invoice amount upon its due date, based on the original payment terms of the invoice.
Trade payables associated with the sustainable supply chain financing programme are listed under trade payables in the consolidated statement of financial position.
As at 31 December 2024, the book value of trade payables to suppliers participating in the sustainable supply chain financing programme was Euro 4,438 thousand.

Note 27 Tax payables

The breakdown of tax payables at 31 December 2024 and 31 December 2023 is as follows and corresponds to the allocation for current taxes for the year and other tax payables:

(Euro thousands)	31.12.2024	31.12.2023	Change
Income tax payables	4,832	6,168	(1,336)
Direct tax payables (VAT)	22,442	17,295	5,147
Other tax payables	9,417	10,238	(820)
Total	**36,692**	**33,701**	**2,991**

The item Other taxes mainly includes payables to the Tax Authorities with regard to employees.

Note 28 Other current liabilities

Details of other current liabilities at 31 December 2024 and 2023 are as follows:

(Euro thousands)	31.12.2024	31.12.2023	Change
Advances received	55,505	46,997	8,507
Social security payables	14,312	8,628	5,684
Payables to personnel	47,757	38,885	8,872
Payables to agents	2,380	2,823	(443)
Other payables	29,504	22,217	7,287
Total	**149,458**	**119,551**	**29,907**

The item Payables to personnel mainly includes payables for salaries.
Other payables mainly include Euro 18,843 thousand of accrued expenses, deferred income, and various provisions.

Note 29 Current derivative financial instruments

(Euro thousands)	31.12.2024	31.12.2023	Change
Derivative financial instruments – current	889	-	889
Total	**889**	**-**	**889**

The value as at 31 December 2024 represents the fair value of forward currency sales contracts. For further details, see Note 16 Current derivative financial instruments.

Notes to the Income Statement

In 2023, Epta S.p.A. finalised the purchase of several European firms involved in the commercial refrigeration industry from the Viessmann Group. This transaction, carried out through the creation of the joint venture Epta Central North Europe B.V. in the Netherlands, introduced into the Epta Group's 2023 consolidated financial statements the asset values as at 31 December 2023 and the economic values only from 1 November 2023 for the companies included in the acquisition scope. Conversely, the consolidated financial statements as at 31 December 2024 incorporate the economic data of the new companies for the entire year. Hence, it is crucial to consider this broader scope when comparing the 2024 and 2023 values.

Note 30 Revenues from sales and services

Sales revenues for the year increased from Euro 1,396,437 thousand in 2023 to Euro 1,643,387 thousand in 2024 (+17.5%).

Note 31 Other revenues and income

Details of other revenues and income for 2024 and 2023 are as follows:

(Euro thousands)	31.12.2024	31.12.2023	Change
Grants	378	1,940	(1,562)
Sale of scrap	2,969	2,335	634
Charge-back transport costs	21,048	17,245	3,803
Other revenues	14,367	14,214	153
Total	**38,762**	**35,734**	**3,028**

The item “Contributions” mainly includes public grants obtained from the European Union for the Life C4R project aimed at fostering more environmentally sustainable production, Fondimpresa grants for employee training, and grants obtained from the subsidiary Epta Quingdao aimed at fostering specific industrial investments (listed as “Other” in the table below).
The breakdown of contributions at 31 December 2024 is annexed below:

Project (Euro/k)	Amount 31.12.2024
Life Project	90
Fondimpresa	314
Tax credit for investments	347
Other contributions	88
Previous years' receivables	(461)
Total	**378**

The “Other revenues” item mainly includes recoveries of expenses on export sales for charging duties to the customer and charging back guarantee costs incurred by the Group to suppliers.
A breakdown of total consolidated revenues by business unit and by geographical area is as follows:

in Euro thousands and as a percentage of net revenues	At 31 December 2024	%	At 31 December 2023	%	Changes 2024 vs 2023	
Revenues Retail BU	1,287,644	76.5%	1,068,740	74.6%	218,904	20.5%
Revenues After Sales BU	301,784	17.9%	268,844	18.8%	32,940	12.3%
Revenues Food & Beverage BU	92,721	5.5%	94,561	6.6%	(1,840)	(1,9%)
Net Revenues	**1,682,149**	**100.0%**	**1,432,145**	**100.0%**	**250,003**	**(17,5%)**
Non-core revenues			26		(26)	(100,0%)
Total Revenues	**1,682,149**		**1,432,171**			

Net Revenues in Euro thousands and as a percentage of revenues from sales and services	**At 31 December 2024**	**%**	At 31 December 2023	%	Changes 2024 vs 2023	
Italy(*)	164,544	9%	186,253	13%	(21,709)	(12%)
France(*)	243,268	14%	252,520	18%	(9,252)	-4%
Germany(*)	271,953	16%	161,635	11%	110,318	68%
United Kingdom(*)	116,501	7%	107,011	7%	9,490	9%
Other European countries(*)	363,719	22%	313,450	22%	50,269	16%
NAM(**)	283,465	17%	248,144	17%	35,321	14%
LATAM(***)	65,989	4%	64,394	4%	1,594	2%
APAC (****)	100,168	6%	91,577	6%	8,591	9%
Other countries	72,543	4%	7,160	0%	65,383	913%
Net revenues	1,682,149	100%	1,432,145	100%	237,050	17%
Non-core revenues			26		(26)	
Total Revenues	**1,682,149**		**1,432,171**		**237,024**	**17%**

Note
(*): EU Area
(**): North and Central America
(***): South America
(****): Asia Pacific

Note 32 Costs for raw and ancillary materials, consumables and goods

A breakdown of Costs for raw and ancillary materials, consumables and goods for 2024 and 2023 is as follows:

(Euro thousands)	**31.12.2024**	31.12.2023	Change
Purchase of raw materials	(698,159)	(608,058)	(90,101)
Change in finished products	14,456	(12,023)	26,479
Total	**(683,703)**	**(620,081)**	**(63,622)**

Note 33 Costs for services

Details of the cost of services for 2024 and 2023 are as follows:

(Euro thousands)	**31.12.2024**	31.12.2023	Change
Maintenance	(11,925)	(10,884)	(1,041)
Commissions	(8,258)	(9,353)	1,095
Consultancy	(17,309)	(14,429)	(2,880)
Advertising costs	(3,146)	(2,577)	(569)
Transport	(49,894)	(50,698)	805
Travel costs	(22,890)	(17,135)	(5,755)
Costs for use of third-party assets	(25,870)	(19,371)	(6,500)
Installation costs	(155,622)	(132,329)	(23,294)
Subcontracting contract costs	(44,240)	(12,614)	(31,626)
Subcontracting contract costs	(18,856)	(22,281)	3,425
Other services	(35,701)	(28,964)	(6,737)
Total	**(393,711)**	**(320,635)**	**(73,075)**

The item “Costs for use of third-party assets” refers to individual contracts of short duration or of individually insignificant amounts.

Note 34 Personnel costs

Personnel costs for 2024 and 2023 consist of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Wages and salaries	(341,394)	(263,326)	(78,068)
Social security costs	(84,414)	(66,299)	(18,115)
Other labour costs	(16,797)	(11,760)	(5,037)
Total	**(442,605)**	**(341,385)**	**(101,220)**

The Group's headcount at 31 December 2024 is 7,987.
The breakdown by workforce category is as follows:

Number of employees (point-in-time)	31.12.2024	31.12.2023	Change
Executives, staff and indirect	3,352	3,142	210
Direct	4,635	4,911	(276)
Total	**7,987**	**8,053**	**(66)**

Labour costs reached Euro 442,605 thousand compared to Euro 341,385 thousand in 2023. This rise is mainly due to workforce growth linked to the joint venture with the Viessmann Group, as well as to the standard salary adjustment based on legal regulations.

Note 35 Amortisation and depreciation

This item, totalling Euro 53,650 thousand, shows an increase of Euro 12,497 thousand relative to the 2023 financial year, as a result of internal investments undertaken by the Group.

Note 36 Provisions / Releases

The net provisions item, amounting to Euro 3,227 thousand, shows an increase of Euro 3,205 thousand compared to the 2023 financial year (Euro 22 thousand), mainly attributable to provisions made during the year.

Note 37 Other operating costs

Other operating costs for 2024 and 2023 consist of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Other operating costs	(10,027)	(6,101)	(3,926)
Other taxes and duties	(4,652)	(3,594)	(1,058)
Total	**(14,679)**	**(9,695)**	**(4,984)**

"Other operating costs" primarily include bank charges, expenses for both internal and external conferences and events, and other managerial costs.
"Other taxes and duties" include property tax, which pertains to the properties owned by the Group companies.

Note 38 Financial income

The Financial income and expenses item amounts to Euro 5,322 thousand (Euro 5,143 thousand in the 2023 financial year), primarily comprising bank interest income, investment returns for the parent company, and the impact of Argentine hyperinflation.

Note 39 Financial expenses

Financial expenses for 2024 and 2023 consist of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Interest expense on mortgages and loans	(10,804)	(10,053)	(751)
Other financial expenses	(4,316)	(3,711)	(605)
Interest cost (IAS 19)	(712)	(829)	117
Total	**(15,832)**	**(14,593)**	**(1,237)**

"Other financial expenses" include interest payable on liabilities for leasing contracts.
The value is substantially in line with the previous year.

Note 40 The portion attributable to the Group's result from associated companies

The item includes Euro 46 thousand relating to the portion attributable to the result of the investment in the associated company F.R.- Frio e Refrigeração Lda.

Note 41 Foreign exchange gains/losses

Foreign exchange gains/losses for 2024 and 2023 consist of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Foreign exchange gains/losses	(5,963)	(7,485)	1,522
Total	**(5,963)**	**(7,485)**	**1,522**

Note 42 Income taxes

Income taxes for 2024 and 2023 consist of the following:

(Euro thousands)	31.12.2024	31.12.2023	Change
Current taxes	(25,334)	(26,549)	1,214
Deferred tax assets and liabilities	1,439	614	826
Total	**(23,895)**	**(25,936)**	**2,041**

It is noteworthy that the parent company, Epta S.p.A., has submitted an application to adhere to the tax consolidation scheme with its controlling company, Epta HDP S.p.A., for the three-year period 2024-2026, as regulated by Articles 117 et seq. of the Consolidated Law on Income Taxes, approved by Presidential Decree No. 917 of 22 December 1986 (hereinafter: "TUIR"), as last amended by Legislative Decree No. 193 of 22 October 2016, converted by Law No. 225 of 1 December 2016, regulate the institute of the so-called "national tax consolidation".

In December 2022, the Organisation for Economic Co-operation and Development (OECD) published a legislative framework draft for a global minimum tax meant to be used by individual jurisdictions. The objective of the framework is to reduce profit shifting from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD published detailed technical guidance on Pillar 2 standards.
The regulations of the worldwide anti-erosion tax base framework (Pillar Two model) are applicable to multinational corporations with an annual turnover exceeding Euro 750 million, as reflected in their consolidated financial statements.
The rules of Pillar 2 model introduce four new tax mechanisms under which multinational enterprises would pay a minimum level of tax (global minimum tax):

- the national qualified domestic minimum top-up tax (QDMTT);
- the Income Inclusion Rule (IIR);
- the undertaxed payments / profits rule (UTPR).

The new taxation mechanisms may impose a minimum tax on the income generated in each jurisdiction where the multinational enterprise operates. The IIR, UTPR and QDMTT impose a top-up tax in any jurisdiction where the effective tax rate (ETR), worked out using the calculation rules in Pillar 2, is less than the 15% minimum rate.

On 23 May 2023, the International Accounting Standards Board issued the final amendments related to the International Tax Reform - Second Pillar Model Rules, in response to the concerns of stakeholders (Amendments to IAS12). The Group has adopted these amendments, which introduce:

- a mandatory temporary exception from recognising deferred tax assets and liabilities related to the Pillar 2 model rules; and
- disclosure obligations for the entities concerned to assist users of the financial statements in understanding an entity's exposure to Pillar 2 income taxes resulting from such legislation.

The Pillar 2 model was adopted in the Eurozone at the end of 2023 and is applicable from 1 January 2024. According to this model, the Group is considered a multinational company subject to Pillar 2. At the same time, several other jurisdictions where the Group operates have either enacted or largely enacted Pillar 2 legislation, with effect from the financial year beginning 1 January 2024.

The Group carried out an assessment of its potential income tax exposure under Pillar 2 based on country-by-country reporting for 2023 and the 2024 financial information for entities that are part of the Group. In the majority of jurisdictions where the Group is active, the effective tax rates of the second pillar are above 15%, aside from three situations that preliminary analysis suggests could be positive constituent entities. The Group is in the process of finalising its evaluation of the tax implications stemming from Pillar 2 for 2024, initially estimated to be around Euro 6 thousand, with further detailed assessments anticipated in 2025.

The Group continues to follow the legislative developments of Pillar 2 as it is adopted by other countries, to assess the potential future impact on consolidated economic and financial results and cash flows.

Notes to the Cash Flow Statement

The Cash Flow Statement highlights the cash flows resulting from the Group's management of working capital, financial charges, and capital repayments on its debt instruments; it enables monitoring of the sources and uses of financial resources. The Group's cash and cash equivalents increased from Euro 129,765 thousand at 31 December 2023 to Euro 195,180 thousand at 31 December 2024, driven by cash flow from operating activities totalling Euro 183,549 thousand, more than offsetting the cash outflows from investments of Euro 55,241 thousand and financing activities of Euro 62,908 thousand.
From 2024, a portion of the Group's trade payables will be included under supplier finance agreements with select key suppliers; the Group believes that these agreements do not result in significant liquidity risk concentrations (see the relevant section of the Notes to the consolidated financial statements).
With reference to the cash flows represented in the Cash Flow Statement:

- as at 31 December 2023, the “Other changes in intangible assets” included the increase in the right of use, mainly linked to the signing of the lease contract for the Group's new Italian logistics hub (therefore, this increase will not be seen in 2024);
- as at 31 December 2023, the “Change in shareholders' equity” is linked to the acquisition transaction completed in 2023 involving the companies of the Viessmann Group.

The Group's cash flows, financing needs and liquidity are closely monitored and managed through: (i) maintaining an adequate level of available liquidity; (ii) diversification of the instruments used to raise financial resources, with highly rated partners in the market; (iii) obtaining adequate credit lines; (iv) monitoring prospective liquidity conditions, in relation to the corporate planning process.
At present, the Group believes that, with the generation of operating cash flow and the availability of financial resources and credit lines, it has sufficient sources of funding to meet its planned financial requirements.

Note 43 Financial risk management IFRS 7

The Group is exposed to risks arising from the use of financial instruments; the primary financial instruments used by the Group are:

- Trade receivables;
- Cash and cash equivalents;
- Unlisted investments;
- Trade payables and other payables;
- Fixed and variable rate bank loans;
- Interest rate swaps;
- Forward currency contracts.

Except for details specified in the notes to the consolidated financial statements, there were no significant changes this year in the Group's risk exposure linked to financial instruments, nor in its objectives, practices, risk management procedures, or assessment techniques.

Determination of fair value

The method used in determining fair value was as follows:

- for financial assets and liabilities that are liquid or have a very short maturity, it is assumed that the book value approximates the fair value;
- the fair value of hedging instruments was assessed using valuation models with market parameters with the support of independent external consultants.

With regard to commercial items and other current assets and liabilities, the book value is considered a realistic approximation of fair value.

Fair Value - Hierarchy

Based on the valuation techniques used, the following hierarchy of financial instruments assessed at fair value is determined:

- level 1: the valuation techniques use prices listed on an active market for the assets or liabilities subject to valuation;
- level 2: the valuation techniques consider inputs other than the previous prices, but that can however be observed directly or indirectly on the market;
- level 3: the techniques use inputs that are not based on observable market data.

For the Epta Group, the hierarchy of financial instruments measured at fair value is level 2.

For assets and liabilities recognised in the financial statements at fair value on a recurring basis, the Group determines whether there have been transfers between the hierarchy levels re-evaluating the categorisation (based on the lowest level input that is significant for the purposes of the fair value measurement in its entirety) at each reporting date.

The Group determines the criteria and procedures for both recurring fair value measurements, such as investment properties and unlisted available-for-sale financial assets, and non-recurring measurements, such as discontinued assets held for distribution.

External appraisers are involved in the valuation of significant assets, such as real estate and financial assets held for sale, and significant liabilities, such as contingent consideration. This involvement is decided annually based on the Group's assessment. Selection criteria include knowledge of the market, reputation, independence and compliance with professional standards. Following the discussion with external appraisers, the Group decides which evaluation techniques and which inputs to use for each case.

The following table provides a comparison between the book values and the fair value measurement hierarchy for the Epta Group's assets:

Description	Notes	Book value	*Fair value*	Prices quoted in an active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Instrumental land and buildings	1	151,464	151,464		151,464	
Property investments	3	1,430	1,430		1,430	
Liquidity investments	13	1,658	1,658		1,658	
Derivative financial instruments (IRS)	7/20	126	126		126	
Currency forward sales	16/29	(881)	(881)		(881)	
Stock option (Shareholders' equity reserve)	18	3,064	3,064		3,064	
Total assets		**156,861**	**156,861**	**-**	**156,861**	**-**

Risk management relating to the financial area

The main risks relating to the financial area, identified and actively managed by the Group, are as follows:

- geopolitical risk, whereby the economic, social, and governmental instability in the countries where the Group operates could expose it to fluctuations in exchange rates between the Euro and other currencies in which the enterprise operates;
- the risk of inflation and hyperinflation, which could cause fluctuations in interest rates;
- credit risk, which represents the risk of insolvency of commercial counterparties.

Geopolitical risk:

Exposure to the risk of exchange rate fluctuations arises from the Group's operations, which are characterised by geographic diversification and conducted in currencies other than the Euro. The effects of exchange rate fluctuations could be reflected in the financial results due to the conversion of trade or financial receivables/payables denominated in foreign currency. In particular, the Group is exposed to this risk both with regard to the purchase of goods and materials from its suppliers, and with regard to the sale of products and services by the Group to its customers, in view of the possible time lag between the occurrence of the receivable/payable in foreign currency and the related financial realisation.

This impact, which is in any case considered to be limited, is managed, where possible, through the stipulation of structured contracts to hedge the average exposure in Euro, and through the management of short-term debt positions in foreign currency (primarily Dollar) with maturities that coincide with collections from customers.

Sensitivity analysis

The economic effects of possible fluctuations in the exchange rates of the principal currencies, other than the Euro, with which the Group operates have been analysed, whilst holding all other variables constant.

It should be noted that this analysis does not include the effect on the consolidated financial statements of the conversion of the financial statements of subsidiaries denominated in foreign currency following a possible change in exchange rates.

This analysis was conducted on the Group's revenues in currencies other than the Euro and similarly on the Group's operating costs in currencies other than the Euro.
A general 1% devaluation of all other currencies against the Euro would have a negative economic impact of Euro 0.6 million for the Group.

Risk of inflation and hyperinflation:
Upon the occurrence of such risks, there could be fluctuations in market interest rates, leading to significant variations in the value of a financial instrument and/or the level of cash flows generated by it.
Therefore, changes in interest rates affect the cost of the different forms of financing, thus affecting the Group's net financial expense.
Exposure to interest rate risk derives from the need to finance operating activities, both in their industrial and financial components, as well as to use available liquidity.
The Group's policy aims to limit the risk of interest rate fluctuations by entering into hedging derivative contracts; these hedging transactions have reference rates, maturities, and amounts consistent with the underlying medium to long-term loans. In addition, the Group limits the risk of interest rate fluctuations by entering into fixed-rate loan contracts.
This hedging policy enables the Group to mitigate its exposure to the risk of fluctuations in interest rates, which may have a negative or positive impact on the Group's operating results, indirectly influencing the costs and returns of financing and investment transactions.

Sensitivity analysis
An analysis was carried out of the effects on the Group's income statement of the sensitivity of a possible change in interest rates, holding all other variables constant.
This analysis was conducted on the remaining portion of net financial debt, excluding from the calculation all those long-term financial debts that have a fixed-rate contract and those for which the interest rate is hedged separately by an Interest Rate Swap with an identical depreciation schedule for the entire duration of the loan.

A general 1% fluctuation in interest rates would have an economic impact of Euro 0.6 million for the Group.

Credit risk
Credit risk represents the risk of insolvency on the part of customers in delaying or failing to meet their payment obligations in the agreed terms and conditions.
Commercial transactions: the Group typically deals with medium to large counterparties, whose creditworthiness is carefully evaluated. There are no situations of credit concentration.
In order to reduce credit risk associated with commercial transactions, the following primary actions are implemented:
- definition of a credit limit procedure to monitor the creditworthiness of each individual customer;
- use of specific customer monitoring tools (D&B, Lince, etc.);
- use of a credit management system to strengthen collaboration and efficiency;
- progressive reduction of DSOs by customer/geographical area;
- activation of a credit insurance procedure to cover part of the risk.

Financial transactions: the Group carries out transactions with leading national and international institutions, whose rating is monitored in order to limit the risk of insolvency of the counterparty.

Note 44 Transactions with related parties
Relations with related parties essentially refer both to the supply of goods and the provision of services and to the provision and use of financial means.
All transactions are conducted on an arm's length basis and there are no atypical or unusual transactions.

The remuneration of the Directors, the Board of Statutory Auditors and the Executives with Strategic Responsibilities is as follows:

(Euro thousands) **Related party**	**31.12.2024** Remuneration
Board of Directors	1,672
Board of Statutory Auditors	130
Executives with strategic responsibilities	3,441
Total	**5,243**

During the year, the following transactions were conducted with related parties other than subsidiaries.

Trade and financial receivables and payables

(Euro thousands) Related party	31.12.2024 Receivables	Financial receivables	Payables	Financial payables
Epta HDP S.p.A.	48	-	243	-
Epta Green S.r.l.	-	-	7	
Finno S.r.l.	-	-		-
Irene S.p.A.	23	-	-	-
ANIMA Federazione delle Associazioni Nazionali dell'Industria Meccanica Varia ed Affine (*)	-	-	-	-
Employees			4	
Total	**71**	**-**	**254**	**-**

(*) regarded as a related party solely for the period January to May 2024, at the end of which the Chair of Epta S.p.A.'s Board of Directors ceased to hold the position of Chair of the Association

Costs and revenues related to 2024

(Euro thousands) Related party	31.12.2024 Revenues	Financial revenues	Costs	Financial costs
Epta HDP S.p.A.	45	-	-	-
Epta Green S.r.l.			126	
Finno S.r.l.	-	-	-	-
Irene S.p.A.	19	-		-
ANIMA Federazione delle Associazioni Nazionali dell'Industria Meccanica Varia ed Affine		-	46	-
Employees			56	
Total	**64**	**-**	**228**	**-**

(*) regarded as a related party solely for the period January to May 2024, at the end of which the Chair of Epta S.p.A.'s Board of Directors ceased to hold the position of Chair of the Association

During the year, the parent company Epta S.p.A. engaged in the following relationships with its subsidiaries.

Trade and financial receivables and payables (amounts in Euro thousands)

	Trade receivables	Trade payables	Financial receivables	Financial payables
EPTA Deutschland GmbH	11,978	623	-	22,593
Epta France S.A.S.	14,578	6,103	-	75,361
Epta Peru S.A.C.	2,089	-	-	-
Epta Chile S.p.A.	8,630	-	-	-
Epta UAE Technical Services LLC	2,428	13	385	-
Epta Iberia S.A.U.	2,601	2,368	-	25,015
Epta (Qingdao) Retail Equipment Co	1,272	146	-	1,900
EPTA Argentina S.A.	6,528	670	-	-
Epta Istanbul Sogutma Sistemleri San Tic. Ltd Sti	3,115	4,111	100	-
Epta Uk Ltd	5,270	253	13,121	-
Epta International Kft	8,380	1,125	-	7,929
Epta Austria GmbH	182	464	-	-
Epta Refrigeration Portugal S.A.	832	3	2,418	-
Epta Refrigeration Denmark A/S	6,475	-	-	-
Epta Norway A/S	14	(3)	2	-
Epta Technical Services Riyadh LLC	356	-	-	-
Epta Australia PTY Ltd	1,661	148	894	-
Epta Refrigeration Philippines, Inc.	1,606	-	-	-
Epta Polska s.p z.o.o.	1,570	-	-	-
Epta Asia Pte. Ltd.	4,787	7	-	-
Iarp Asia Co Ltd	2,054	113	-	-
Iarp Services Co., Ltd.	46	-	-	-
Epta Andina S.A.S.	1,591	-	-	-
DAAS IMPEX SRL	7,933	62	-	-
Kysor Warren Epta US Corporation	3,204	20	17,807	-
Kysor Warren De Mexico S. De R.L. De C.V.	1,545	12	-	5,775
Kysor Warren Service S. De R.L. De C.V.	77	-	-	-
Epta Costa Rica Ltda	662	-	-	-
Epta Guatemala SA	30	-	-	-
Epta El Salvador S.A. de C.V.	186	-	-	-
Sofrico S.A.R.L.	603	-	-	-
Epta Vietnam Ltd	68	-	-	-
HEIFO Kältetechnik GmbH	689	-	11,000	-
Epta Refrigeration Oy (1210)	394	1	-	-
Epta Services Oy (1221)	53	-	-	-
Epta Baltics OÜ (1270)	7	-	-	-
Epta Refrigeration Norway AS (1230)	128	-	-	-
IAC Vestcold AS (1320)	5	-	-	-
Epta Sweden AB (1240)	97	-	-	-
Epta Refrigeration Systems Aps (1280)	26	-	-	-
Fri-Service Czech s.r.o (1276)	434	19	-	-
Fri-Service SK s.r.o (1277)	13	-	-	-
Epta Kältetechnik Ost GmbH (1720)	670	-	-	-
Epta Kältetechnik Nord GmbH (1805)	49	-	-	-
Epta Kältetechnik GmbH (1340)	1	24	-	6,500
Total	**106,767**	**16,297**	**48,228**	**145,073**

Costs and revenues related to 2024 (amounts in Euro thousands)

	Revenues	Financial revenues	Costs	Financial costs
EPTA Deutschland GmbH	78,013	-	(1,115)	(543)
Epta Refrigeration (M) Sdn Bhd	1	-	-	-
Epta France S.A.S.	114,134	10,000	(11,063)	(2,705)
Epta Peru S.A.C.	768	-	-	-
Epta Chile S.p.A.	8,900	-	(19)	-
Epta Technical Services UAE LLC	1,986	27	(3)	-
Epta Iberia S.A.U.	12,867	5,000	(425)	(1,024)
Epta (Qingdao) Retail Equipment Co	1,277	1,456	(6)	(123)
EPTA Argentina S.A.	1,865	-	(476)	-
Epta Andina S.A.S.	1,362	-	-	-
EPTA Istanbul Ltd Sti	2,758	5	(17,410)	-
Epta Uk Ltd	18,183	814	(326)	-
EPTA International Kft	57,698	5,000	(1,170)	(194)
Epta Austria GmbH	1,725	-	(468)	-
Epta Refrigeration Denmark A/S	4,104	-	(4)	-
Epta Norway A/S	14	3	-	(49)
Epta Technical Services Riyadh LLC	519	-	-	-
Epta Suomi Oy	1,619	-	(11)	-
Epta Australia PTY Ltd	2,019	55	(101)	-
Epta Refrigeration Philippines Inc	582	-	-	-
Epta Polska sp Zoo	3,513	-	-	-
Epta Refrigeration Portugal S.A.	4,649	110	-	(3)
Epta Asia Pte. Ltd.	5,747	3,000	-	-
Iarp Asia Co Ltd	1,600	3,937	(285)	-
Iarp Services Co., Ltd.	48	-	-	-
Epta Vietnam Ltd	48	-	-	-
DAAS IMPEX SRL	16,068	-	(211)	-
Kysor Warren Epta US Corporation	13,923	1,366	(31)	-
Kysor Warren De Mexico S. De R.L. De C.V.	2,742	-	(7)	-
Epta Costa Rica Ltda	1,117	-	-	-
Epta Guatemala SA	453	-	-	-
Epta El Salvador S.A. de C.V.	186	-	-	-
Sofrico S.A.R.L.	725	-	-	-
HEIFO Kältetechnik GmbH	106	594	-	-
Epta Refrigeration Oy (1210)	500	27	(93)	-
Epta Finland Oy (1220)	1,260	-	(15)	-
Epta Services Oy (1221)	555	-	-	-
Epta Baltics OÜ (1270)	253	-	-	-
Epta Refrigeration Norway AS (1230)	610	-	-	-
IAC Vestcold AS (1320)	5	-	-	-
Epta Sweden AB (1240)	291	-	-	-
Epta Refrigeration Systems Aps (1280)	27	-	-	-
Fri-Service Czech s.r.o (1276)	2,279	-	(19)	-
Fri-Service SK s.r.o (1277)	40	-	-	-
Epta Kältetechnik Ost GmbH (1720)	1,203	-	-	-
Epta Kältetechnik Nord GmbH (1805)	64	-	-	-
Epta Kältetechnik GmbH (1340)	1	-	-	(24)
Total	**369,003**	**31,416**	**(33,261)**	**(4,739)**

Note 45 Commitments, guarantees and contingent liabilities

The Parent Company has issued guarantees in the interest of consolidated companies for a total of Euro 173,732 thousand. The purpose of these contracts is mainly to protect credit lines for short-term bank borrowing and exchange rate hedging.
In the interests of the Group Companies, guarantees were issued by banks aimed at protecting suppliers, customers and public bodies (Euro 22,716 thousand) and tax collection bodies (Euro 6,904 thousand).
At the reporting, date the Parent Company and its subsidiaries are involved in a number of disputes, both of a fiscal nature and relating to ordinary operations. At present the Group, supported by its specially appointed consultants, is defining the open positions for which no probable risks are foreseen.

Significant events after year-end

After the end of the financial year, the Group continued the integration and consolidation of the acquisitions made in recent years, and in particular those made during 2023, in order to fully achieve the expected synergies. Operating information available after 31 December 2024 shows a revenue and order trend in line with the 2025-2028 business plan approved by the Company's Board of Directors.
Prices of materials and components are fairly stable compared to the financial year 2024, while logistics and energy costs may increase significantly as a result of the current geo-political scenario in the Middle East.
The Group is diligently monitoring geopolitical developments and their economic repercussions, primarily regarding protectionist policies and the introduction of tariff duties that could impact trade volumes between Group entities, both internally and with third parties. Actions are being defined to mitigate any adverse effects related to protectionist measures of this kind.

Other information

Disclosure pursuant to Law 124/17
In accordance with the provisions of Law No. 124, article 1 paragraph 125-quinquies of 4 August 2017, the Parent Company has benefited from aid subject to mandatory publication in the National Register of State Aid, to which reference should be made.
Remuneration of Directors and Board of Statutory Auditors
The fees due to the Parent Company's Directors and Board of Statutory Auditors for carrying out these functions amounted to Euro 1,672 thousand and Euro 130 thousand, respectively.
The audit fees paid to the independent auditors BDO S.p.A. and the companies belonging to the network for the legal audit services at 31 December 2024 totalled Euro 530 thousand.

Milan, 28 February 2025
for the Board of Directors
Cav. Lav. Marco Nocivelli - Chairman

5.4 Annexes to the financial statements

5.4.1 Scope of consolidation

Company Name	Registered Office	Country	Currency	Share capital in foreign currency (thousands)	Controlling share	Consolidation method
EPTA S.p.A.	Milan	Italy	EUR	69,998		Parent Company
Epta Austria GmbH	Vienna	Austria	EUR	800	100	Global integration
Epta Iberia S.A.	Madrid	Spain	EUR	70	100	Global integration
Epta UK Ltd	Bradford	United Kingdom	GBP	1	100	Global integration
Epta Cold Service Ltd		United Kingdom	GBP	-	100	Global integration
Epta Service UK		United Kingdom	GBP	-	100	Global integration
Epta France S.A.	Hendaye	France	EUR	33,000	100	Global integration
Epta Rack S.A.	Chatou	France	EUR	50	100	Global integration
Epta Developpment S.A.S.	Chatou	France	EUR	37	100	Global integration
Epta Deutschland GmbH	Mannheim	Germany	EUR	3,700	70	Global integration
Epta International Kft	Budapest	Hungary	EUR	50	100	Global integration
Epta Refrigeration Denmark A/A (formerly Knudsen Køling A/S)	Koge	Denmark	DKK	7,000	70	Global integration
Epta Norway AS	Oslo	Norway	NOK	283	70	Global integration
Epta Polska Spa. Z.o.o.	Krakow	Poland	PLN	5	70	Global integration
DAAS Impex Srl	Ploiesti	Romania	RON	85	100	Global integration
Epta Refrigeration Portugal S.A.	Porto	Portugal	EUR	50	100	Global integration
Epta Istanbul Sogutma Sistemleri San. Tlc. Ltd Sti	Ergene-Tekirdag (ISTANBUL)	Turkey	EUR	2,092	100	Global integration
Epta Argentina S.A.	Rosario	Argentina	ARS	12,683,328	100	Global integration
Epta Andina S.A.	Baranquilla	Colombia	COP	186,346	100	Global integration
Epta Qingdao Retail Equipment Co	Qingdao	China	CNY	89,518	100	Global integration
Epta Refrigeration (M) Sdn Bhd	Subang Jaya	Malaysia	MYR	250	100	Global integration
Epta Technical UAE Services LLC	Dubai	United Arab Emirates	AED	300	100	Global integration
Epta Technical Services Riyadh LLC	Riyadh	Saudi Arabia	SAR	500	100	Global integration
Epta Asia Pte Ltd	Singapore	Singapore	EUR	312	100	Global integration
Iarp Asia Co. Ltd	Cha-Am	Thailand	THB	550,000	100	Global integration
Iarp Services Co. Ltd.	Bangkok	Thailand	THB	2,000	49	Global integration (*de facto* control)
Epta Chile S.A.	Santiago	Chile	CLP	32,734	100	Global integration
Epta Perù S.A.C.	Lima	Peru	PEN	1	99.9	Global integration
Epta Australia PTY Ltd	Melbourne	Australia	AED	-	100	Global integration
Epta Refrigeration Philippine, Inc	Makati City	Philippines	PHP	124,795	100	Global integration
Epta Vietnam Company Limited	Ho Chi Min	Vietnam	VND	227,000	100	Global integration
Epta Refrigeration India Private Limited	Bengaluru	India	INR	1,000	100	Global integration
Sofrico S.A.R.L.	Dumbea	New Caledonia	CPF	1,000	100	Global integration
Kysor Warren Epta Us Corporation	Columbus	USA	USD	-	100	Global integration
Kysor Warren de Mexico S. De L.R. De C.V.	Tlalnepantla de Baz	Mexico	MXN	578,345	100	Global integration
Kysor Warren Services S. De L.R. De C.V.	Tlalnepantla de Baz	Mexico	MXN	3	100	Global integration
Epta Costa Rica Ltda	Santa Ana	Costa Rica	CRC	100	100	Global integration
Epta Guatemala Sociedad anonima	Guatemala	Guatemala	GTQ	128	100	Global integration

Company Name	Registered Office	Country	Currency	Share capital in foreign currency (thousands)	Controlling share	Consolidation method
Epta El Salvador	San Salvador	El Salvador	USD	2	100	Global integration
Epta Central North Europe B.V.	Amsterdam	Netherlands	EUR	-	70	Global integration
HEIFO Kältetechnik GmbH	Osnabrück	Germany	EUR	25	100	Global integration
Epta Refrigeration OY	Porvoo	Finland	EUR	100,247	70	Global integration
Epta Finland OY	Porvoo	Finland	EUR	4,703	70	Global integration
Epta Service Oy	Kerava	Finland	EUR	40	70	Global integration
Epta Baltics OU	Tallinn	Estonia	EUR	3	70	Global integration
Epta Refrigeration Norway AS	Stokke	Norway	NOK	84,244	70	Global integration
IAC Vestcold AS	Stokke	Norway	NOK	300	70	Global integration
CoolTeam Midt-Norge AS	Trondheim	Norway	NOK	520	70	Global integration
Epta Sweden AB	Kista	Sweden	SEK	103,408	70	Global integration
Epta Refrigeration Systems Aps	Farum	Denmark	DKK	109,727	70	Global integration
Fri-Service Czech s.r.o	Brno	Czech Republic	CZK	33,653	70	Global integration
Fri-Service SK s.r.o	Trnava	Slovakia	EUR	5	70	Global integration
Epta Kältetechnik Ost GmbH	Berlin	Germany	EUR	330	70	Global integration
Epta Kaltetechnik Nord GmbH	Gifhorn	Germany	EUR	2,000	70	Global integration
Epta Kältetechnik West Verwaltungs GmbH	Cologne	Germany	EUR	25	70	Global integration
Epta Kältetechnik GmbH	Marburg	Germany	EUR	58,803	70	Global integration

Auditors reports

Epta S.p.A.

Independent auditor’s report pursuant to article
14 of Legislative Decree no. 39 of 27 January 2010

Consolidated financial statements as at 31 December 2024

This independent auditor’s report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010

To the Shareholders
of Epta S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Epta Group (the "Group"), included in the Financial Statements Integrated, which comprise the statement of financial position as at 31 December 2024, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flow for the year then ended, and notes to the financial statements, including material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Epta Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of Epta S.p.A. (the "*Parent*") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and board of statutory auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Parent Epta S.p.A. or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by Italian law, the Group's financial reporting process.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

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Iscritta al Registro dei Revisori Legali al n. 167911 con D.M. del 15/03/2013 G.U. n. 26 del 02/04/2013
BDO Italia S.p.A., società per azioni italiana, è membro di BDO International Limited, società di diritto inglese (company limited by guarantee),
e fa parte della rete internazionale BDO, network di società indipendenti.

BDO

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintained professional skepticism throughout the audit. We also have::

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control we identified during our audit.

Report on other legal and regulatory requirements

Opinion and statement pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10

The directors of Epta S.p.A. are responsible for the preparation of the report on operations of Epta Group at 31 December 2024, including its consistency with the consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance of the report on operations with the applicable law ;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Epta Group at 31 December 2024.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 18 April 2025

BDO Italia S.p.A.

Paolo Beretta
Partner

Epta S.p.A.

Report of the independent auditors on the
ESG Reporting

Financial year ended 31 December 2024

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Report of the independent auditors
on ESG Reporting 2024

To the Board of Directors of
Epta S.p.A.

We have been commissioned to conduct a limited assurance examination of the ESG Reporting included in the Integrated Financial Statements of the Epta Group (hereinafter also referred to as "the Group") for the financial year ending on 31 December 2024.

The limited examination conducted by us does not extend to the information in the "EU Taxonomy" section of the ESG Reporting, prepared voluntarily by the Group

Directors' Responsibilities for ESG Reporting

The directors of Epta S.p.A. are responsible for the preparation of the ESG Reporting in *accordance with the "Globo! Sustainability Reporting Standards"* defined by the GRI - *Globe! Reporting Initiative ("GRI Standards"),* as described in the "Criteria for drafting" section of the ESG Reporting.

The Directors are also responsible for that portion of internal control that they deem necessary to enable the preparation of a ESG Reporting that are free from material misstatement, whether due to fraud or unintentional conduct or events.

The Directors are also responsible for defining the objectives of Group Epta in relation to sustainability performance, as well as identifying the stakeholders and significant aspects to be reported.

Auditor independence and quality control

We are independent in accordance with the independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our auditing company applies the International Standard on Quality Management I, which requires it to establish, implement, and operate a quality management system that includes policies or procedures on compliance with ethical principles, professional standards, and applicable laws and regulations.

Responsibility of the independent auditors

We are responsible for expressing, based on the procedures performed, a conclusion about whether the ESG Reporting comply with the requirements of GRI Standards. Our work has been performed in accordance with the criteria set out in the International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter also ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and execution of procedures in order to

acquire a limited level of security that the ESG Reporting do not contain significant errors.

Therefore, our review involved less work than was required to conduct a full review under ISAE 3000 Revised ("reasonable assurance engagement") and, consequently, does not allow us to have confidence that we have become aware of all significant facts and circumstances that could be identified by conducting such an examination.

The procedures performed on the ESG reporting were based on our professional judgement and included interviews, primarily with the Company personnel responsible for preparing the ESG reporting, as well as reviews of documents, recalculations, and other procedures designed to obtain evidence deemed useful.

Specifically, we performed the following procedures:

- analysis of the process in defining significant themes reported in ESG Reporting, with reference to the methods of analysis and understanding of the contextual framework, identification, evaluation, and prioritisation of actual and potential impacts, and the internal validation of the process outcomes;
- comparison of the economic and financial data and information reported in the ESG Reporting and the data and information included in the Group's consolidated financial statements;
- understanding the processes involved in the generation, collection, and management of significant qualitative and quantitative information included in ESG Reporting.

Specifically, we conducted interviews and discussions with Epta S.p.A. management personnel and limited document reviews in order to gather information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the function responsible for preparing the ESG Reporting.

In addition, for significant information, taking into account the Group's activities and characteristics:

- with reference to the qualitative information contained in the ESG Reporting, we carried out interviews and acquired supporting documentation to verify consistency with available evidence;
- with reference to quantitative information, we have carried out both analytical procedures and limited checks to ascertain on a sample basis the correct aggregation of data.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the Company's ESG Reporting for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards as described in the “Criteria for drafting” section of the ESG Reporting.

Our conclusions does not extend to the information in the “EU Taxonomy” section of the ESG Reporting, prepared voluntarily by the Group

Milan, 14 March 2025

BDO Italia S.p.A.

Paolo Beretta
Partner

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